Senate Engrossed House Bill

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
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CHAPTER 255

HOUSE BILL 2781

AN ACT

MAKING APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Subject to applicable laws, the sums or sources of revenue set forth in this act are appropriated for the fiscal years indicated and only from the funding sources listed for the purposes and objects specified and the performance measures are indicated as legislative intent. If monies from funding sources in this act are made unavailable, no other funding source shall be used.

Sec. 2. BOARD OF ACCOUNTANCY

	2007-08	2008-09
FTE positions	13.0	13.0
Lump sum appropriation	$ 2,289,500**	$ 2,290,200
Fund sources:		
Board of accountancy fund	$ 2,289,500	$ 2,290,200
Performance measures:		
Average calendar days to resolve a complaint	180	180
Average calendar days to renew a license	1.0	1.0
Customer satisfaction rating (Scale 1-8)	7.0	7.0

Sec. 3. ACUPUNCTURE BOARD OF EXAMINERS

	2007-08	2008-09
FTE positions	1.0	1.0
Lump sum appropriation	$ 125,500**	$ 125,500
Fund sources:		
Acupuncture board of examiners fund	$ 125,500	$ 125,500
Performance measures:		
Average calendar days to resolve a complaint	90	90
Average calendar days to renew a license	5	5
Customer satisfaction rating (Scale 1-8)	7.0	7.0

Sec. 4. DEPARTMENT OF ADMINISTRATION

	2007-08
State general fund	
FTE positions	301.3
Operating lump sum appropriation	$ 20,250,200
ENSCO	7,289,400
Arizona financial information system	1,032,400
Statewide telecommunications management contract lease payment	851,800
Utilities	625,700
Total - general fund	$ 30,049,500

Performance measures:

Per cent of ADOA services receiving a good (6) or better rating from customers, based on annual survey (Scale 1-8)	75
Per cent of procurement plan award dates met for the RFP process	77
Customer satisfaction with establishing contracts (Scale 1-8)	5.5
Customer satisfaction with administering contracts (Scale 1-8)	5.0
Customer satisfaction rating for the operation of AFIS (Scale 1-8)	7.5
Average capitol police response time to emergency calls (in minutes and seconds)	1:40

The department may collect an amount of not to exceed $1,762,600 from other funding sources, excluding federal funds, to recover pro rata costs of operating AFIS II. Any amounts left unspent from the Arizona financial information system line item shall revert to the state general fund.

Air quality fund

Lump sum appropriation $ 575,100

Performance measures:

Customer satisfaction with all travel reduction services (Scale 1-8)	6.5

The amounts appropriated for the state employee transportation service subsidy shall be used for up to a one hundred per cent subsidy of charges payable for transportation service expenses as provided in section 41-786, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

Capital outlay stabilization fund

FTE positions	56.7
Operating lump sum appropriation	$ 5,503,700
Utilities	5,733,800
Relocation	60,000
Total - capital outlay stabilization fund	$ 11,297,500

Performance measures:

Customer satisfaction rating for building maintenance (Scale 1-8)	6.5

Monies in the relocation line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2008.

1 Corrections fund
2 FTE positions 9.3
3 Lump sum appropriation $ 717,100
4 The intent of the legislature is for the amount appropriated from the
5 corrections fund to be expended solely for the oversight of construction
6 projects benefiting the state department of corrections or the department of
7 juvenile corrections.
8 Motor vehicle pool revolving fund
9 FTE positions 19.0
10 Lump sum appropriation $ 11,736,600
11 Performance measures:
12 Customer satisfaction with short-term (day use)
13 vehicle rental (Scale 1-8) 7.7
14 It is the intent of the legislature that the department not replace
15 vehicles until an average of 120,000 miles, or more.
16 Telecommunications fund
17 FTE positions 22.0
18 Lump sum appropriation $ 3,048,100
19 Performance measures:
20 Customer satisfaction rating for the wide area
21 network (MAGNET) (Scale 1-8) 6.4
22 Customer satisfaction rating for statewide
23 telecommunications management contract
24 services (Scale 1-8) 7.0
25 Telecommunications fund - infrastructure improvements account
26 Lump sum appropriation $ 4,713,700
27 All telecommunications fund infrastructure improvements account monies
28 received by the department of administration in excess of $4,713,700 in
29 fiscal year 2007-2008 are appropriated to the department of administration.
30 Before the expenditure of any telecommunications fund infrastructure
31 improvements account monies in excess of $4,713,700 in fiscal year 2007-2008,
32 the department of administration shall report the intended use of the monies
33 to the joint legislative budget committee. The appropriation from the
34 telecommunications fund infrastructure improvements account is an estimate
35 representing all monies, including balance forward, revenue and transfers,
36 and is exempt from the provisions of section 35-190, Arizona Revised
37 Statutes, relating to lapsing of appropriations through June 30, 2009.
38 Automation operations fund
39 FTE positions 158.4
40 Lump sum appropriation $ 24,028,200
41 Performance measures:
42 Customer satisfaction rating for mainframe
43 services based on annual survey (Scale 1-8) 7.0

The appropriation for the automation operations fund is an estimate representing all monies, including balance forward, revenue and transfers during fiscal year 2007-2008. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation shall be adjusted as necessary to reflect receipts credited to the automation operations fund for automation operation center projects. Expenditures for all additional automation operation center projects above the $24,028,200 appropriation shall be subject to review by the joint legislative budget committee, following approval of the government information technology agency. Expenditures for each additional project shall not exceed the specific revenues of that project.

Risk management fund	
FTE positions	96.0
Operating lump sum appropriation	$ 9,506,300
Risk management losses and premiums	46,726,200
Workers' compensation losses and premiums	26,460,200
External legal services	5,592,200
Nonlegal related expenditures	3,153,900
Total - risk management fund	$ 91,438,800
Highway user revenue fund	
Highway hazards assessments	$ 150,000

The highway hazards assessments line item is to be used to contract for an outside review of the state's highways for potential hazards. The department shall submit a report with recommendations to the joint legislative budget committee by April 30, 2008.

Performance measures:

Workers' compensation incidence rates/100 FTE positions	4.1
Customer satisfaction with self-insurance (Scale 1-8)	6.8

Personnel division fund	
FTE positions	139.0
Operating lump sum appropriation	$ 13,761,200
Human resources information solution certificate of participation	4,239,100
Total - personnel division fund	$ 18,000,300

Performance measures:

Customer satisfaction with employee training (Scale 1-8)	6.1

Special employee health insurance trust fund	
FTE positions	39.0
Operating lump sum appropriation	$ 5,430,000
Health savings account plan design	100,000
Total - special employee health insurance trust fund	$ 5,530,000
Performance measures:	
Customer satisfaction with benefit plans (Scale 1-8)	6.2
State surplus materials revolving fund	
FTE positions	16.0
Operating lump sum appropriation	$ 1,222,100
State surplus property sales proceeds	3,000,000
Total - state surplus materials revolving fund	$ 4,222,100

All state surplus property sales proceeds received by the department in excess of $3,000,000 are appropriated. Before the expenditure of any state surplus property sales proceeds in excess of $3,000,000, the department shall report the intended use of the monies to the joint legislative budget committee.

Federal surplus materials revolving fund	
FTE positions	7.0
Lump sum appropriation	$ 429,600
Total appropriation - department of administration	$205,936,600
Fund sources:	
State general fund	$ 30,049,500
Other appropriated funds	175,887,100

Sec. 5. OFFICE OF ADMINISTRATIVE HEARINGS

	2007-08	2008-09
FTE positions	15.0	15.0
Lump sum appropriation	$ 1,228,400	$ 1,228,400
Fund sources:		
State general fund	$ 1,213,900	$ 1,213,900
Healthcare group fund	14,500	14,500
Performance measures:		
Average days from request for hearing to transmission of decision to the agency	70	70
Evaluations rating the administrative law judge "excellent" or "good" in impartiality	97	97

The office of administrative hearings shall enter into interagency service agreements to provide services pursuant to title 41, chapter 6, article 10, Arizona Revised Statutes.

Sec. 6. DEPARTMENT OF AGRICULTURE

	2007-08	2008-09
FTE positions	249.2	249.2
Operating lump sum appropriation	$ 15,139,000	$ 15,357,900
Agricultural employment relations board	23,300	23,300
Animal damage control	65,000	65,000
Red imported fire ant	23,200	23,200
Total appropriation - department of agriculture	$ 15,250,500	$ 15,469,400
Fund sources:		
State general fund	$ 11,895,500	$ 12,117,500
Aquaculture fund	9,200	9,200
Arizona protected native plant fund	186,500	186,500
Citrus, fruit and vegetable revolving fund	1,044,900	1,044,900
Commercial feed fund	293,200	293,200
Agricultural consulting and training fund	103,400	103,400
Dangerous plants, pests and diseases fund	40,000	40,000
State egg inspection fund	869,800	866,700
Fertilizer materials fund	298,500	298,500
Livestock custody fund	79,400	79,400
Pesticide fund	376,900	376,900
Seed law fund	53,200	53,200
Performance measures:		
Per cent of industry stakeholders rating the department's quality of communication excellent or good	95	95
Per cent of meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	95	95
Per cent of inspections within the state interior resulting in pest interceptions	7.0	7.0
Overall customer satisfaction rating for laboratory services (per cent)	98	98

Sec. 7. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

	2007-08
Administration	
FTE positions	3,179.0
Operating lump sum appropriation	$ 67,765,600
DOA data center charges	5,717,500
Indian advisory council	227,000
DES eligibility	53,698,200
DES title XIX pass-through	345,300
Healthcare group administration and reinsurance	16,360,000
Office of administrative hearings	269,700
KidsCare - administration	9,139,200
Proposition 204 - AHCCCS administration	11,029,700
Proposition 204 - DES eligibility	38,780,100
DES eligibility system upgrade	2,600,000
2-1-1 system	3,400,000
Claims computer system replacement	2,090,900
Total appropriation and expenditure authority - administration	$211,423,200
Fund sources:	
State general fund	$ 95,639,800
Budget neutrality compliance fund	2,683,100
Children's health insurance program fund	6,985,400
Health care group fund	8,360,000
Expenditure authority	97,754,900
Performance measures:	
Per cent of applications processed on time	95
Customer satisfaction rating for eligibility determination clients (Scale 1-8)	6.0

It is the intent of the legislature that the appropriation for the department of administration data center charges be used only for the payment of charges incurred by the department for the use of computing services provided by the department of administration data center.

The amounts appropriated for the department of economic security eligibility line item shall be used for intergovernmental agreements with the department of economic security for the purpose of eligibility determination and other functions. The general fund share may be used for eligibility determination for other programs administered by the division of benefits and medical eligibility based on the results of the Arizona random moment sampling survey.

The Arizona health care cost containment system administration shall report to the joint legislative budget committee by January 1 of each year on the agency's use of the cost savings that result from entering into an agreement with another state as outlined in Laws 1999, chapter 313, section 27. The report shall also include detail on the source of all revenues and expenditure of monies from the intergovernmental service fund.

The Arizona health care cost containment system administration shall report by September 30 of each year to the joint legislative budget committee on the services that receive reimbursement from the federal government under the medicaid direct service claiming program. The report shall include information on the type of services, how those services meet the definition of medical necessity and the total amount of federal dollars that the schools have received under the medicaid direct service claiming program.

Notwithstanding sections 35-190 and 35-191, Arizona Revised Statutes, the $8,000,000 general fund appropriation included in the healthcare group administration and reinsurance line item may be used to pay claims with dates of service before July 1, 2007.

Acute care	
Capitation	$1,889,804,700
Reinsurance	108,132,500
Fee-for-service	497,366,500
Medicare premiums	91,928,600
Graduate medical education	44,156,600
Hospital loan residency program	1,000,000
Temporary medical coverage	10,326,400
Dual eligible part D copay subsidy	1,029,700
Disproportionate share payments	30,350,000
Critical access hospitals	1,700,000
Breast and cervical cancer	2,131,400
Ticket to work	8,043,600
Proposition 204 - capitation	1,007,858,800
Proposition 204 - reinsurance	109,441,000
Proposition 204 - fee-for-service	175,536,600
Proposition 204 - medicare premiums	28,532,300
Proposition 204 - county hold harmless	4,825,600
KidsCare - children	125,684,700
KidsCare - parents	50,296,300
Rural hospital reimbursement	12,158,100
Medicare clawback payments	27,022,000
Total appropriation and expenditure authority - acute care	$4,227,325,400

Fund sources:	
State general fund	$1,022,039,100
Children's health insurance program fund	139,391,900
Tobacco tax and health care fund - medically needy account	78,306,100
Tobacco products tax fund - emergency health services account	29,264,100
Temporary medical coverage fund	1,976,400
Expenditure authority	2,956,347,800
Performance measures:	
Per cent of well child visits in the first 15 months of life (EPSDT)	87
Per cent of children's access to primary care provider	85
Per cent of women receiving annual cervical screening	60
Member satisfaction as measured by percentage of enrollees that choose to change health plans	2.0

The $30,350,000 appropriation for disproportionate share payments for fiscal year 2007-2008 made pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes, includes $4,202,300 for the Maricopa County Healthcare District and $26,147,700 for private qualifying disproportionate share hospitals.

Of the $4,825,600 appropriated for the proposition 204 county hold harmless line item, $234,200 is allocated to Graham county, $3,817,800 to Pima county, $234,400 to Greenlee county, $159,700 to La Paz county, $214,800 to Santa Cruz county and $164,700 to Yavapai county to offset a net loss in revenue due to the implementation of proposition 204, and shall be used for indigent health care costs.

Long-term care	
Program lump sum appropriation	$1,099,329,800
Medicare clawback payments	20,428,900
Dual eligible part D copay subsidy	470,300
Board of nursing	209,700
Total appropriation and expenditure authority - long-term care	$1,120,438,700
Fund sources:	
State general fund	$ 145,675,800
Expenditure authority	974,762,900

1 Performance measures:
2 Per cent of members utilizing home and
3 community based services (HCBS) 67
4 Per cent of ALTCS eligibility as measured by
5 quality control sample 99
6 Any federal funds that the Arizona health care cost containment system
7 administration passes through to the department of economic security for use
8 in long-term administration care for the developmentally disabled shall not
9 count against the long-term care expenditure authority above.
10 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
11 county portion of the fiscal year 2007-2008 nonfederal portion of the costs
12 of providing long-term care system services is $242,744,500. This amount is
13 included in the expenditure authority fund source.

Total appropriation and expenditure authority - Arizona health care cost containment system	$5,559,187,300
Appropriated fund sources:	
State general fund	$1,263,354,700
Budget neutrality compliance fund	2,683,100
Children's health insurance program fund	146,377,300
Health care group fund	8,360,000
Tobacco products tax fund - emergency health services account	29,264,100
Tobacco tax and health care fund - medically needy account	78,306,100
Temporary medical coverage fund	1,976,400
Expenditure authority	$4,028,865,600

30 Performance measures:
31 Per cent of people under age 65 that
32 are uninsured 17
33 Before making fee-for-service program or rate changes that pertain to
34 hospital, nursing facility or home and community based services rates or for
35 any of the other fee-for-service rate categories that have increases that, in
36 the aggregate, are two per cent above and $1,500,000 from the state general
37 fund greater than budgeted medical inflation in fiscal year 2007-2008, the
38 Arizona health care cost containment system administration shall report its
39 expenditure plan for review by the joint legislative budget committee.
40 The Arizona health care cost containment system administration shall
41 report to the joint legislative budget committee by March 1 of each year on
42 the preliminary actuarial estimates of the capitation rate changes for the
43 following fiscal year along with the reasons for the estimated changes. For
44 any actuarial estimates that include a range, the total range from minimum to
45 maximum shall be no more than two per cent. Before implementation of any

changes in capitation rates, the Arizona health care cost containment system administration shall report its expenditure plan for review by the joint legislative budget committee. Before the administration implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the administration shall submit the policy changes for review by the joint legislative budget committee.

For the contract year beginning October 1, 2007, the administration may expend funds for federally-matched preventive adult dental services of up to $1,000 per ALTCS member and federally-matched hospice services to non-ALTCS members.

Sec. 8. BOARD OF APPRAISAL

	2007-08	2008-09
FTE positions	4.5	4.5
Lump sum appropriation	$ 593,700**	$ 593,700
Fund sources:		
Board of appraisal fund	$ 593,700	$ 593,700
Performance measures:		
Average calendar days to resolve a complaint	130	130
Customer satisfaction rating (Scale 1-8)	7.5	7.5

Sec. 9. ARIZONA COMMISSION ON THE ARTS

	2007-08	2008-09
FTE positions	11.5	11.5
Operating lump sum appropriation	$ 625,000	$ 625,000
Community service projects	1,463,100	1,463,100
Total appropriation - Arizona commission on the arts	$ 2,088,100	$ 2,088,100
Fund sources:		
State general fund	$ 2,088,100	$ 2,088,100
Performance measures:		
Customer satisfaction rating (Scale 1-8)	7.5	7.5

Sec. 10. ATTORNEY GENERAL - DEPARTMENT OF LAW

	2007-08	2008-09
FTE positions	644.9	644.9
Operating lump sum appropriation	$ 47,122,300	$ 46,581,000
State grand jury	160,000	160,000
Victims' rights	3,266,000	3,266,000
Risk management interagency service agreement	9,226,800	9,189,700
Total appropriation - attorney general - department of law	$ 59,775,100	$ 59,196,700

Fund sources:		
State general fund	$ 21,813,300	$ 21,282,900
Antitrust enforcement revolving fund	232,200	232,200
Attorney general legal services cost allocation fund	6,193,600	6,193,600
Collection enforcement revolving fund	4,577,700	4,574,700
Consumer fraud revolving fund	2,128,300	2,128,300
Interagency service agreements fund	12,337,200	12,329,300
Risk management revolving fund	9,226,800	9,189,700
Victims' rights fund	3,266,000	3,266,000
Performance measures:		
Solicitor general - number of days to respond to a request for a legal opinion	55	55
Customer satisfaction rating for client agencies (Scale 1-8)	7.3	7.3
Per cent of victims' rights award recipients satisfied with the victims' rights program	90	90

The $160,000 appropriated for state grand jury expenses is for costs incurred pursuant to section 21-428, subsection C, Arizona Revised Statutes. It is the intent of the legislature that state grand jury expenses be limited to the amount appropriated and that a supplemental appropriation will not be provided.

The attorney general shall notify the president of the senate, the speaker of the house of representatives and the joint legislative budget committee before entering into a settlement of $100,000 or more that will result in the receipt of monies by the attorney general or any other person. The attorney general shall not allocate or expend these monies until the joint legislative budget committee reviews the allocations or expenditures. Settlements that pursuant to statute must be deposited in the state general fund need not be reviewed by the joint legislative budget committee. This paragraph does not apply to actions under title 13, Arizona Revised Statutes, or other criminal matters.

In addition to the $12,337,200 appropriated from the interagency service agreements fund in fiscal year 2007-2008 and $12,329,300 in fiscal year 2008-2009, an additional $800,000 and 11 FTE positions are appropriated from the interagency service agreements fund in fiscal year 2007-2008 and fiscal year 2008-2009 for new or expanded interagency service agreements. The attorney general shall report to the joint legislative budget committee whenever an interagency service agreement is established that will require expenditures from the additional amount. The report shall include the name of the agency or entity with which the agreement is made, the dollar amount of the contract by fiscal year and the number of associated FTE positions.

All revenues received by the antitrust enforcement revolving fund in excess of $232,200 are appropriated. Expenditures from the fund may not exceed $750,000 in fiscal year 2007-2008 and fiscal year 2008-2009. Before the expenditure of any antitrust enforcement revolving fund receipts in excess of $232,200 in fiscal year 2007-2008 and fiscal year 2008-2009, the attorney general shall submit the intended uses of the monies for review by the joint legislative budget committee.

Sec. 11. AUTOMOBILE THEFT AUTHORITY

	2007-08	2008-09
FTE positions	6.0	6.0
Lump sum appropriation	$ 646,900	$ 646,900
Automobile theft authority grants	4,708,500	5,116,000
Reimbursable programs	50,000	50,000
Total appropriation - auto theft authority	$ 5,405,400	$ 5,812,900
Fund sources:		
Automobile theft authority fund	$ 5,405,400	$ 5,812,900
Performance measures:		
Felony auto theft arrests by auto theft task force	330	330
Per cent of stolen vehicles recovered (calendar year)	67.0	67.0
Number of vehicles stolen statewide (calendar year)	55,000	55,000
Customer satisfaction rating (Scale 1-3, 1 highest)	1.0	1.0

All automobile theft authority fund receipts received by the automobile theft authority in excess of $5,405,400 in fiscal year 2007-2008 and $5,812,900 in fiscal year 2008-2009 are appropriated to the automobile theft authority. Before the expenditure of any automobile theft authority fund monies in excess of $5,405,400 in fiscal year 2007-2008 and $5,812,900 in fiscal year 2008-2009, the automobile theft authority shall submit the intended use of the monies for review by the joint legislative budget committee.

The automobile theft authority shall submit a report to the joint legislative budget committee for review before expending any monies for the reimbursable programs line item. The agency shall also show sufficient funds collected to cover the expenses indicated in the report.

Sec. 12. BOARD OF BARBERS

	2007-08	2008-09
FTE positions	4.0	4.0
Lump sum appropriation	$ 334,700**	$ 318,100
Fund sources:		
Board of barbers fund	$ 334,700	$ 318,100

Performance measures:

Average calendar days to resolve a complaint	21	21
Average calendar days to renew a license	2	2
Customer satisfaction rating (Scale 0-100)	90	90

Sec. 13. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	2007-08	2008-09
FTE positions	17.0	17.0
Lump sum appropriation	$ 1,339,300**	$ 1,324,200
Fund sources:		
Board of behavioral health examiners fund	$ 1,339,300	$ 1,324,200
Performance measures:		
Average days to resolve a complaint	287	287
Average days to renew a license	50	50
Customer satisfaction rating (Scale 1-8)	6.0	6.0

Sec. 14. STATE CAPITAL POSTCONVICTION PUBLIC DEFENDER OFFICE

	2007-08	2008-09
FTE positions	7.0	7.0
Lump sum appropriation	$ 721,700	$ 721,700
Fund sources:		
State general fund	$ 721,700	$ 721,700

Sec. 15. STATE BOARD FOR CHARTER SCHOOLS

	2007-08	2008-09
FTE positions	10.0	13.0
Lump sum appropriation	$ 1,091,900	$ 1,051,000
Fund sources:		
State general fund	$ 1,091,900	$ 1,051,000
Performance measures:		
Customer satisfaction survey (Scale 1-8)	7.5	7.5

In addition to collecting data for the adopted performance measures, the state board for charter schools shall conduct a survey of parents of charter school pupils in order to establish parent quality ratings for every charter school in this state.

Sec. 16. STATE BOARD OF CHIROPRACTIC EXAMINERS

	2007-08	2008-09
FTE positions	5.0	5.0
Lump sum appropriation	$ 504,400**	$ 506,000
Fund sources:		
Board of chiropractic examiners fund	$ 504,400	$ 506,000

Performance measures:		
Average calendar days to renew a license	13	13
Per cent of complaints resolved within 180 days with no hearing required	60	60
Per cent of survey responses which indicate that staff was knowledgeable and courteous in public communications	98	98

Sec. 17. DEPARTMENT OF COMMERCE

	2007-08	2008-09
FTE positions	79.9	79.9
Operating lump sum appropriation	$ 4,317,200	$ 4,317,200
Arizona trade office in Sonora	25,000	25,000
International trade offices	2,044,800	2,044,800
Economic development matching funds	104,000	104,000
Main street	130,000	130,000
REDI matching grants	45,000	45,000
Rural economic development	323,900	323,900
Advertising and promotion	659,200	659,200
Motion picture development	337,700	337,700
CEDC commission	275,200	275,200
National law center/free trade	200,000	200,000
Oil overcharge administration	176,000	176,000
Minority and women owned business	121,300	121,300
Small business advocate	119,100	119,100
Apprenticeship services	179,200	179,200
Greater Arizona development authority	2,000,000	2,000,000
Total appropriation - department of commerce	$ 11,057,600	$ 11,057,600
Fund sources:		
State general fund	$ 8,190,200	$ 8,190,200
Bond fund	139,500	139,500
CEDC fund	2,276,700	2,276,700
Oil overcharge fund	176,000	176,000
State lottery fund	275,200	275,200
Performance measures:		
Number of workers trained	25,000	25,000
Per cent of job training fund monies distributed to small businesses	25	25
Customer satisfaction rating for business development program (percentage rating services as good or excellent)	88	88

1 Of the $2,276,700 appropriated from the CEDC fund, $250,000 shall be
2 utilized for implementation of cross-industry business/infrastructure
3 development projects and related project coordination in support of regional
4 technology councils and high technology clusters operating in Arizona.
5 Sec. 18. ARIZONA COMMUNITY COLLEGES

	2007-08
Equalization aid	
Cochise	$ 4,669,700
Graham	13,146,500
Navajo	4,305,200
Yuma/La Paz	1,372,400
Total - equalization aid	$ 23,493,800
Operating state aid	
Cochise	$ 8,401,400
Coconino	3,334,600
Gila	620,500
Graham	5,370,400
Maricopa	57,528,300
Mohave	4,196,900
Navajo	4,412,300
Pima	19,593,500
Pinal	6,052,000
Yavapai	4,820,400
Yuma/La Paz	5,722,700
Total - operating state aid	$120,053,000
Capital outlay state aid	
Cochise	$ 1,060,600
Coconino	423,800
Gila	133,400
Graham	510,100
Maricopa	11,204,000
Mohave	591,200
Navajo	1,505,700
Pima	3,198,900
Pinal	797,600
Yavapai	703,900
Yuma/La Paz	924,800
Total - capital outlay state aid	$ 21,054,000
Rural county reimbursement subsidy	$ 1,200,000
Total appropriation - Arizona community colleges	$165,800,800
Fund sources:	
State general fund	$165,800,800

Performance measures:

Per cent of students who transfer to Arizona public universities without loss of credits	96
Number of applied baccalaureate programs collaboratively developed with universities	8

Of the $1,200,000 appropriated to the rural county reimbursement subsidy line item, Apache county will receive $559,200, Greenlee county $459,300, and Santa Cruz county $181,500.

Of the $1,505,700 Navajo community college receives in capital outlay state aid, $1,000,000 shall be used to construct a public safety and emergency services training facility in Navajo county to be operated and controlled by the Northland pioneer community college. The appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations.

It is the intent of the legislature that in fiscal year 2008-2009, Navajo community college district shall receive $1,000,000 in state general fund monies for construction of a public safety training facility operated and controlled by Northland pioneer community college.

Sec. 19. REGISTRAR OF CONTRACTORS

	2007-08	2008-09
FTE positions	144.8	144.8
Operating lump sum appropriation	$ 10,468,200	$ 10,324,000
Office of administrative hearings costs	964,300	964,300
Incentive pay	113,700	113,700
Information management system	3,683,000	506,500
Total appropriation - registrar of contractors	$ 15,229,200**	$ 11,908,500
Fund sources:		
Registrar of contractors fund	$ 15,229,200	$ 11,908,500
Performance measures:		
Average calendar days from receipt of complaint to jobsite inspection	23	23
Per cent of licensing customers indicating they received excellent service	93	93
Per cent of inspections customers indicating they received excellent service	91	91

Any transfer to or from the amount appropriated for the office of administrative hearings costs line item shall require review by the joint legislative budget committee.

Sec. 20. CORPORATION COMMISSION

	2007-08	2008-09
FTE positions	321.3	321.3
Operating lump sum appropriation	$ 27,344,800	$ 27,341,300
Corporation filings, same day service	400,400	400,400
Utilities audits, studies, investigations and hearings	380,000*	380,000*
Total appropriation - corporation commission	$ 28,125,200	$ 28,121,700
Fund sources:		
State general fund	$ 5,542,500	$ 5,542,500
Arizona arts trust fund	48,300	48,300
Investment management regulatory and enforcement fund	889,700	889,700
Pipeline safety revolving fund	55,400	0
Public access fund	4,261,200	4,332,600
Securities regulatory and enforcement fund	3,822,300	3,822,300
Utility regulation revolving fund	13,505,800	13,486,300
Performance measures:		
Average turnaround time in days for processing of regular corporate filings	30.0	30.0
Average turnaround time in days for processing of expedited corporate filings	3.0	3.0
Number of months required to review applications received by securities division	1.5	1.5
Customer satisfaction rating for corporations program (Scale 1-8)	7.1	7.1

The $400,400 appropriated from the public access fund for the corporation filings same day service line item shall revert to the public access fund at the end of each fiscal year if the commission cannot process all expedited services within five business days and all regular services within thirty business days in accordance with sections 10-122, 10-3122 and 29-851, Arizona Revised Statutes.

The corporation commission corporations division shall provide a report by the end of each fiscal year to the joint legislative budget committee on the total number of filings received by the corporations division pursuant to the services listed in sections 10-122, 10-3122 and 29-851, Arizona Revised Statutes, the total number of filings processed by the corporations division and the amount of time, in business days, to process each type of service.

Sec. 21. DEPARTMENT OF CORRECTIONS

	2007-08
FTE positions	9,755.9
Correctional officer personal services	$282,098,600
Health care personal services	36,160,700
All other personal services	69,987,200
Employee-related expenditures	145,010,700
Personal services and employee-related expenditures for overtime/compensatory time	23,827,000
Health care all other operating expenditures	80,516,200
Non-health care all other operating expenditures	119,210,000
Total - operating budget	$756,810,400
Fund sources:	
State general fund	$738,973,100
State education fund for correctional education	1,102,500
Alcohol abuse treatment fund	599,300
Penitentiary land fund	869,200
State charitable, penal and reformatory institutions land fund	570,000
Corrections fund	366,500
Transition office fund	180,000
Transition program drug treatment fund	600,000
Prison construction and operations fund	13,549,800
County jail beds	$ 868,600
Fund sources:	
State general fund	$ 866,200
Prison construction and operations fund	2,400
Private prison per diem	$ 83,169,800
Fund sources:	
State general fund	$ 52,478,300
Corrections fund	28,674,300
Penitentiary land fund	1,000,000
Prison construction and operations fund	1,017,200
Provisional beds	$ 91,412,800

Fund sources:	
State general fund	$ 87,299,400
Prison construction and operations fund	3,057,200
Penitenitary land fund	1,056,200
Performance measures:	
Escapes from secure facilities	0
Number of inmates receiving GED	2,500
Number of inmate random positive urinalysis results	900

Twenty-five per cent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

One hundred per cent of land earnings and interest from the penitentiary land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

Before the expenditure of any state education fund for correctional education receipts in excess of $1,102,500, the department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

Before altering its bed capacity by closing state-operated prison beds or canceling or not renewing contracts for privately-operated prison beds, the department of corrections shall submit a bed plan detailing the proposed bed closures for review by the joint legislative budget committee.

The personal services and employee-related expenditures for overtime/compensatory time line item includes monies for personal services and employee-related expenditure costs from overtime and compensatory time payouts accrued by department employees in fiscal year 2007-2008.

Before placing any additional inmates in out-of-state provisional beds, the department shall place inmates in all available prison beds in facilities that are located in Arizona and that house Arizona inmates, unless the out-of-state provisional beds are of a comparable security level and price.

Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any transfer to or from the amounts appropriated for county jail beds, personal services and employee-related expenditures for overtime/compensatory time, private prison per diem or provisional beds line items shall require review by the joint legislative budget committee.

The Arizona department of administration shall charge the department of corrections for employer general fund health and dental insurance based on actual enrollment in fiscal year 2007-2008.

A monthly report comparing department of corrections expenditures for the month and year-to-date as compared to prior year expenditures shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include at least each line item of appropriation and the main components of all other operating expenditures. The report shall include an estimate of potential shortfalls, potential surpluses that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

The department of corrections shall continue to maintain the security threat group unit and report to the joint legislative budget committee by September 1, 2007 on funding and personnel requirements to facilitate the identification of gang members, including implementation of an enhanced phone monitoring system, and options for joining the California gangnet system.

The department of corrections shall work with the department of public safety's gang and immigration intelligence team enforcement mission to combat gang activity. The state department of corrections and the department of public safety shall report jointly to the joint legislative budget committee by December 1, 2007 on their collaborative efforts and procedures.

Department of corrections personnel in the correctional officer series who receive a geographic stipend shall not retain the geographic stipend associated with that facility when transferring to other department facilities.

The amount appropriated for provisional beds includes $33,193,000 for the department to contract for 2,060 new provisional beds in fiscal year 2007-2008.

The private prison per diem line item includes $3,700,000 for a 4.6 per cent increase for private prison contractors for facilities that are located in Arizona that house Arizona inmates as of July 1, 2007. The private prison per diem line item also includes $1,100,000 for an additional 4.5 per cent increase for the central Arizona correctional facility that opened December, 2006. The department shall provide these increases to all applicable contractors by August 1, 2007.

Sec. 22. COSMETOLOGY BOARD

	2007-08	2008-09
FTE positions	24.5	24.5
Lump sum appropriation	$ 1,797,100**	$ 1,705,400
Fund sources:		
Board of cosmetology fund	$ 1,797,100	$ 1,705,400

Performance measures:		
Average calendar days to resolve a complaint	120	120
Average calendar days to renew a license	10	10
Customer satisfaction rating (Scale 1-8)	7.3	7.3

Sec. 23. ARIZONA CRIMINAL JUSTICE COMMISSION

	2007-08	2008-09
FTE positions	8.0	8.0
Operating lump sum appropriation	$ 1,929,900	$ 1,774,800
County methamphetamine interdiction	- 0 -	2,000,000
Criminal justice information systems	900,000*	800,000*
Rural state aid to county attorneys	157,700	157,700
Rural state aid to indigent defense	150,100	150,100
State aid to county attorneys	1,052,500	1,052,500
State aid to indigent defense	999,200	999,200
Victim compensation and assistance	3,800,000	3,800,000
Total appropriation - Arizona criminal justice commission	$ 8,989,400	$ 10,734,300
Fund sources:		
State general fund	$ 2,202,000	$ 4,102,000
Criminal justice enhancement fund	935,700	780,600
Victim compensation and assistance fund	3,800,000	3,800,000
State aid to county attorneys fund	1,052,500	1,052,500
State aid to indigent defense fund	999,200	999,200
Performance measures:		
Number of grants awarded in a timely manner to victim services providers	42	42
Customer satisfaction rating (Scale 1-10)	9.2	9.2

The Arizona criminal justice commission shall submit a quarterly report on the expenditure of monies and the progress of the criminal justice information systems project to the governor, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee through fiscal year 2008-2009.

All victim compensation and assistance receipts received by the Arizona criminal justice commission in excess of $3,800,000 in fiscal year 2007-2008 and $3,800,000 in fiscal year 2008-2009 are appropriated to the crime victims program. Before the expenditure of any victim compensation and assistance receipts in excess of $3,800,000 in fiscal year 2007-2008 and $3,800,000 in fiscal year 2008-2009, the Arizona criminal justice commission shall submit the intended use of the monies for review by the joint legislative budget committee.

Notwithstanding any other law, the amount appropriated for rural state aid to county attorneys and rural state aid to indigent defense shall be allocated to counties with populations of less than five hundred thousand persons.

Monies for the grants management automation projects shall not be spent and shall revert to the criminal justice enhancement fund if the government information technology agency does not approve the project investment justification for the grants management automation projects.

Sec. 24. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

	2007-08	2008-09
Phoenix day school for the deaf		
FTE positions	177.2	177.2
Operating lump sum appropriation	$ 9,887,400	$ 9,887,400
School bus replacement	450,000	461,300
Voucher fund adjustment	170,200	299,800
Total - Phoenix day school for the deaf	$ 10,507,600	$ 10,648,500
Fund sources:		
State general fund	$ 5,610,200	$ 5,621,500
Arizona state schools for the deaf and the blind fund	4,897,400	5,027,000
Tucson campus		
FTE positions	312.1	312.1
Operating lump sum appropriation	$ 16,943,600	$ 16,893,100
School bus replacement	180,000	276,700
Voucher fund adjustment	5,200	59,700
Total - Tucson campus	$ 17,128,800	$ 17,229,500
Fund sources:		
State general fund	$ 10,568,700	$ 10,614,900
Arizona state schools for the deaf and the blind fund	6,560,100	6,614,600
Regional cooperatives		
FTE positions	28.1	28.1
Lump sum appropriation	$ 1,841,500	$ 1,841,500
Voucher fund adjustment	16,300	17,500
Total - Regional cooperatives	$ 1,857,800	$ 1,859,000
Fund sources:		
State general fund	$ 1,420,100	$ 1,420,100
Arizona state schools for the deaf and the blind fund	437,700	438,900
Preschool/outreach programs		
FTE positions	69.8	69.8
Lump sum appropriation	$ 5,138,200	$ 5,138,200
Voucher fund adjustment	309,000	501,500
Total - Preschool/outreach programs	$ 5,447,200	$ 5,639,700

Fund sources:		
State general fund	$ 3,024,800	$ 3,024,800
Arizona state schools for the deaf and the blind fund	2,422,400	2,614,900
Total appropriation - Arizona state schools for the deaf and the blind	$ 34,941,400	$ 35,376,700
Fund sources:		
State general fund	$ 20,623,800	$ 20,681,300
Arizona state schools for the deaf and the blind fund	14,317,600	14,695,400
Performance measures:		
Per cent of parents rating overall quality of services as "good" or "excellent" based on annual survey	95	95
Per cent of students in grade 5 meeting or exceeding state academic standards in:		
Reading	28	28
Writing	25	25
Math	30	30
Per cent of students in high school meeting or exceeding state academic standards in:		
Reading	25	25
Writing	25	25
Math	20	20

Before the expenditure of any monies in the voucher fund adjustment line item in fiscal year 2007-2008 and fiscal year 2008-2009, the joint legislative budget committee shall review the intended use of the funds.

Before the expenditure of any Arizona state schools for the deaf and the blind fund monies in excess of $14,317,600 in fiscal year 2007-2008 and $14,695,400 in fiscal year 2008-2009, the joint legislative budget committee shall review the intended use of the funds.

Sec. 25. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

	2007-08	2008-09
FTE positions	16.0	16.0
Lump sum appropriation	$ 5,387,300	$ 5,387,300
Fund sources:		
Telecommunication fund for the deaf	$ 5,387,300	$ 5,387,300
Performance measures:		
Average number of days to issue a voucher	15	15
Customer satisfaction rating with the voucher program (Scale 1-8)	7.8	7.8

Sec. 26. STATE BOARD OF DENTAL EXAMINERS

	2007-08	2008-09
FTE positions	11.0	11.0
Lump sum appropriation	$ 1,106,800**	$ 1,072,600
Fund sources:		
Dental board fund	$ 1,106,800	$ 1,072,600
Performance measures:		
Average calendar days to resolve a complaint	98	98
Average calendar days to renew a license	10	10
Customer satisfaction rating (Scale 1-5)	4	4

Sec. 27. DRUG AND GANG PREVENTION RESOURCE CENTER

	2007-08	2008-09
FTE positions	6.3	6.3
Lump sum appropriation	$ 616,400	$ 616,400
Fund sources:		
Drug and gang prevention resource center fund	$ 295,800	$ 295,800
Intergovernmental agreements and grants	320,600	320,600
Performance measures:		
Customer satisfaction rating of agencies served by the center (Scale 1-8)	7.2	7.2

Intergovernmental agreements and grants revenues in excess of $320,600 in fiscal year 2007-2008 and $320,600 in fiscal year 2008-2009 are appropriated for expenditure. Before the expenditure of these monies, the center shall provide an expenditure plan for review by the joint legislative budget committee.

Sec. 28. DEPARTMENT OF ECONOMIC SECURITY

	2007-08
Administration	
FTE positions	302.2
Operating lump sum appropriation	$ 40,992,700
Fund sources:	
State general fund	$ 32,766,600
Federal child care and development fund block grant	1,127,000
Federal temporary assistance for needy families block grant	5,015,200
Public assistance collections fund	129,800

Special administration fund	607,300
Spinal and head injuries trust fund	87,600
Statewide cost allocation plan fund	1,000,000
Federal Reed act grant	259,200
Finger imaging	$ 736,000
Fund sources:	
State general fund	$ 459,400
Federal temporary assistance for needy families block grant	276,600
Lease-purchase equipment	$ 1,799,000
Fund sources:	
State general fund	$ 1,138,000
Federal temporary assistance for needy families block grant	661,000
Public assistance collections	$ 517,600
Fund sources:	
Federal temporary assistance for needy families block grant	$ 250,900
Public assistance collections fund	266,700
Attorney general legal services	$ 942,900
Fund sources:	
State general fund	$ 659,600
Federal child care and development fund block grant	16,600
Federal temporary assistance for needy families block grant	162,000
Public assistance collections fund	104,700
Triagency disaster recovery	$ 271,500
Fund sources:	
Risk management fund	$ 271,500

In accordance with section 35-142.01, Arizona Revised Statutes, the department of economic security shall remit to the department of administration any monies received as reimbursement from the federal government or any other source for the operation of the department of economic security west building and any other building lease-purchased by the state of Arizona in which the department of economic security occupies space. The department of administration shall deposit these monies in the state general fund.

In accordance with section 38-654, Arizona Revised Statutes, the department of economic security shall transfer to the department of administration for deposit in the special employee health insurance trust fund any unexpended state general fund monies at the end of each fiscal year appropriated for employer health insurance contributions.

Developmental disabilities	
FTE positions	197.9
Operating lump sum appropriation	$ 3,984,700
Fund sources:	
State general fund	$ 3,984,700
Case management	$ 4,366,000
Fund sources:	
State general fund	$ 4,366,000
Home and community based services	$ 36,647,500
Fund sources:	
State general fund	$ 35,799,400
Long-term care system fund	848,100
Institutional services	$ 294,900
Fund sources:	
State general fund	$ 294,900
Arizona training program at Coolidge	$ 546,900
Fund sources:	
State general fund	$ 546,900
State-funded long-term care services	$ 24,911,600
Fund sources:	
State general fund	$ 762,900
Long-term care system fund	24,148,700
Autism training and oversight	$ 200,000
Fund sources:	
Tobacco tax and healthcare - health research account	$ 200,000
Children's autism intensive behavioral treatment services	$ 1,800,000
Fund sources:	
State general fund	$ 1,800,000
Children's autism intensive early intervention services for toddlers	$ 500,000
Fund sources:	
State general fund	$ 500,000

1 Performance measures:
2 Per cent of consumer satisfaction with
3 case management services 97
4 Per cent of consumers living at home who
5 are satisfied with services and supports 70
6 Per cent of families of children under 18
7 who are satisfied with services and supports 65
8 Per cent of families or individuals 18 years
9 or older, who do not live at home with
10 family, who are satisfied with services
11 and supports 89
12 It is the intent of the legislature that any available surplus monies
13 for developmental disability programs be applied toward the waiting list,
14 unless there are insufficient monies to annualize these costs in the
15 subsequent year. The children's waiting list shall receive first priority.
16 The amount appropriated for developmental disabilities shall be used to
17 provide for services for nontitle XIX eligible clients. The amount shall not
18 be used for other purposes, unless a transfer of monies is reviewed by the
19 joint legislative budget committee.
20 The department of economic security shall report all new placements
21 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
22 in fiscal year 2007-2008 to the president of the senate, the speaker of the
23 house of representatives, the chairpersons of the senate and house of
24 representatives appropriations committees and the director of the joint
25 legislative budget committee and the reason why this placement, rather than a
26 placement into a privately run facility for the developmentally disabled, was
27 deemed as the most appropriate placement. The department shall also report
28 if no new placements were made. This report shall be made available by July
29 15, 2008.
30 Long-term care
31 FTE positions 1,664.0
32 Operating lump sum appropriation $ 31,951,700
33 Fund sources:
34 State general fund $ 10,772,100
35 Expenditure authority 21,179,600
36 Case management $ 37,703,200
37 Fund sources:
38 State general fund $ 12,742,700
39 Expenditure authority 24,960,500
40 Home and community based
41 services $562,266,000

Fund sources:	
State general fund	$189,667,600
Expenditure authority	372,598,400
Institutional services	$ 13,475,700
Fund sources:	
State general fund	$ 4,444,200
Expenditure authority	9,031,500
Medical services	$113,636,900
Fund sources:	
State general fund	$ 38,561,000
Expenditure authority	75,075,900
Arizona training program at Coolidge	$ 16,344,600
Fund sources:	
State general fund	$ 5,421,400
Expenditure authority	10,923,200
Fee-for-service and reinsurance	$ 3,669,000
Fund sources:	
State general fund	$ 1,237,600
Expenditure authority	2,431,400
Medicare clawback payments	$ 2,184,400
Fund sources:	
State general fund	$ 2,184,400

All monies in the long-term care system fund unexpended and unencumbered at the end of fiscal year 2007-2008 revert to the state general fund, subject to approval by the Arizona health care cost containment system administration.

The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be not more than two per cent. Before implementation of any changes in capitation rates for the long-term care program, the department of economic security shall report for review the expenditure plan to the joint legislative budget committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the joint legislative budget committee.

Prior to the implementation of any developmentally disabled or long term care statewide provider rate increases not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee. The report shall include, at a minimum, the estimated cost of the provider rate increase and the ongoing source of funding for the increase.

The amounts above include $6,998,700 from the state general fund and $11,624,900 from matching federal expenditure authority to raise rates of community service providers and independent service agreement providers contracting with the division of developmental disabilities. This amount is estimated to be the equivalent of one hundred per cent of fiscal year 2007-2008 market rates for all services on the published rate schedule. It is the intent of the legislature that the division request the Arizona health care cost containment system administration to approve a capitation rate increase retroactive to July 1, 2007 to make provider rate increases effective July 1, 2007. By July 1, 2007, the division shall obtain approval for a rate increase implementation proposal from AHCCCS. By August 1, 2007, the division shall submit the implementation plan for review by the joint legislative budget committee. The adjusted rates shall be implemented beginning with provider payments due for services performed in August 2007. Payment for retroactive reimbursement due for services provided in July 2007 shall be paid to providers no later than September 15, 2007.

The appropriated amount provides funding for a fiscal year 2007-2008 capitation rate increase of 4.0 per cent above fiscal year 2006-2007 excluding salary, benefits, and other statewide adjustments. The department shall reallocate resources within its existing budget to pay for any capitation rate increases above 5.0 per cent excluding salary, benefits, and other statewide adjustments without supplemental funding.

<u>Benefits and medical eligibility</u>	
FTE positions	575.6
Operating lump sum appropriation	$ 34,688,500
Fund sources:	
State general fund	$ 24,671,100
Federal temporary assistance for needy families block grant	10,017,400
Temporary assistance for needy families cash benefits	$125,148,000
Fund sources:	
State general fund	$ 45,850,800
Federal temporary assistance for needy families block grant	79,297,200
General assistance	$ 3,060,800

Fund sources:	
State general fund	$ 3,060,800
Document management	$ 494,600
Fund sources:	
State general fund	$ 494,600
Eligibility system upgrade	$ 963,300
Fund sources:	
State general fund	$ 963,300
FLSA supplement	$ 508,900
Fund sources:	
Federal temporary assistance for needy families block grant	$ 508,900
Tribal pass-through funding	$ 4,288,700
Fund sources:	
State general fund	$ 4,288,700
Tuberculosis control payments	$ 32,200
Fund sources:	
State general fund	$ 32,200
Performance measures:	
Per cent of cash benefits issued timely	98.6
Per cent of total cash benefits payments issued accurately	95.0
Per cent of total food stamps payments issued accurately	95.0
Per cent of clients satisfied with family assistance administration	90.0

The operating lump sum appropriation may be expended on Arizona health care cost containment system eligibility determinations based on the results of the Arizona random moment sampling survey.

Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any transfer to or from the $125,148,000 appropriated for temporary assistance for needy families cash benefits requires review by the joint legislative budget committee.

Of the amount appropriated for temporary assistance for needy families cash benefits, $500,000 reflects appropriation authority only to ensure sufficient cashflow to administer cash benefits for tribes operating their own welfare programs. The department shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting staff before the use of any of the $500,000 appropriation authority.

The department shall report to the joint legislative budget committee by the end of each calendar quarter on progress made in meeting federal TANF work participation requirements.

Child support enforcement	
FTE positions	863.8
Operating lump sum appropriation	$ 44,355,500
Fund sources:	
State general fund	$ 7,596,900
Child support enforcement administration fund	9,400,800
Expenditure authority	27,357,800
Genetic testing	$ 360,000
Fund sources:	
State general fund	$ 122,400
Expenditure authority	237,600
Central payment processing	$ 3,275,700
Fund sources:	
State general fund	$ 444,700
Child support enforcement administration fund	1,573,800
Expenditure authority	1,257,200
County participation	$ 6,845,200
Fund sources:	
Child support enforcement administration fund	$ 1,384,100
Expenditure authority	5,461,100
Attorney general legal services	$ 9,239,000
Fund sources:	
State general fund	$ 718,200
Child support enforcement administration fund	2,332,200
Expenditure authority	6,188,600
Performance measures:	
Total IV-D collections	$330,000,000
Ratio of current IV-D support collected and distributed to current IV-D support due	45.0

All state share of retained earnings, fees and federal incentives above $14,690,900 received by the division of child support enforcement are appropriated for operating expenditures. New full-time equivalent positions may be authorized with the increased funding. The division of child support enforcement shall report the intended use of the monies to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the

director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting.

Aging and community services	
FTE positions	108.6
Operating lump sum appropriation	$ 6,819,000
Fund sources:	
State general fund	$ 6,579,400
Federal temporary assistance for needy families block grant	239,600
Adult services	$ 19,277,700
Fund sources:	
State general fund	$ 19,277,700
Community and emergency services	$ 5,924,900
Fund sources:	
Federal temporary assistance for needy families block grant	$ 5,424,900
Utility assistance fund	500,000
Coordinated hunger	$ 2,014,600
Fund sources:	
State general fund	$ 1,514,600
Federal temporary assistance for needy families block grant	500,000
Coordinated homeless	$ 2,804,900
Fund sources:	
State general fund	$ 1,155,400
Federal temporary assistance for needy families block grant	1,649,500
Domestic violence prevention	$ 16,647,400
Fund sources:	
State general fund	$ 8,326,700
Federal temporary assistance for needy families block grant	6,620,700
Domestic violence shelter fund	1,700,000
Community-based marriage and communication skills program fund	$ 1,200,000
Fund sources:	
State general fund	$ 1,200,000

1 Performance measures:
2 Adult protective services investigation
3 per cent rate 100
4 The department shall report on activities of food distribution efforts
5 funded through the monies in the coordinated hunger special line item to the
6 joint legislative budget committee by March 15, 2008. The report shall
7 demonstrate how the food was distributed and shall include letters from each
8 participating food bank stating its satisfaction with the distribution and
9 the department shall verify that food products have been distributed through
10 regional food banks to all rural areas of the state.
11 All domestic violence shelter fund monies above $1,700,000 received by
12 the department of economic security are appropriated for the domestic
13 violence prevention line item. The department of economic security shall
14 report the intended use of the monies above $1,700,000 to the joint
15 legislative budget committee.
16 The department of economic security shall report to the joint
17 legislative budget committee on the amount of state and federal monies
18 available statewide for domestic violence funding by December 15, 2007. The
19 report shall include, at a minimum, the amount of monies available and the
20 state fiscal agent receiving those monies.
21 It is the intent of the legislature that the department use at least
22 $1,038,900 of federal temporary assistance for needy families block grant
23 monies in the appropriation for community and emergency services to ensure
24 that councils of governments and tribal governments receive at least the same
25 amount of federal social services block grant monies that those entities
26 received in fiscal year 2000-2001.
27 The department shall apply for the maximum allowable federal temporary
28 assistance for needy families block grant funding in fiscal year 2007-2008
29 available to the state through a grant program to promote healthy marriages
30 and responsible fatherhood. These monies shall be deposited in the
31 community-based marriage and communication skills program fund established by
32 section 41-2032, Arizona Revised Statutes, for at least the following
33 purposes:
34 1. Marketing and advertising of marriage skills classes.
35 2. The community-based relationship skills high school pilot program.
36 Children, youth and families
37 FTE positions 1,535.5
38 Operating lump sum appropriation $ 88,625,500
39 Fund sources:
40 State general fund $ 59,309,900
41 Children and family services
42 training program fund 209,600

Federal temporary assistance for needy families block grant	29,106,000
Adoption services	$ 46,928,300
Fund sources:	
State general fund	$ 36,242,200
Federal temporary assistance for needy families block grant	10,686,100
Adoption services - academic tutoring	$ 300,000
Fund sources:	
State general fund	$ 300,000
Adoption services - family preservation projects	$ 1,000,000
Fund sources:	
Federal temporary assistance for needy families block grant	$ 1,000,000
Attorney general legal services	$ 10,816,300
Fund sources:	
State general fund	$ 10,765,900
Federal temporary assistance for needy families block grant	50,400
Child abuse prevention	$ 824,700
Fund sources:	
Child abuse prevention fund	$ 824,700
Children support services	$ 62,282,400
Fund sources:	
State general fund	$ 45,403,300
Child abuse prevention fund	750,000
Federal temporary assistance for needy families block grant	16,129,100
Comprehensive medical and dental program	$ 2,057,000
Fund sources:	
State general fund	$ 2,057,000
Child protective services appeals	$ 705,200

Fund sources:	
State general fund	$ 705,200
Child protective services expedited substance abuse treatment fund deposit	$ 224,500
Fund sources:	
State general fund	$ 224,500
CPS emergency placement	$ 5,186,500
Fund sources:	
State general fund	$ 2,180,100
Federal temporary assistance for needy families block grant	3,006,400
Education and training vouchers	$ 700,000
Fund sources:	
State general fund	$ 700,000
Family builders program	$ 5,200,000
Fund sources:	
Federal temporary assistance for needy families block grant	$ 5,200,000
Foster care placement	$ 23,362,600
Fund sources:	
State general fund	$ 17,139,500
Federal temporary assistance for needy families block grant	6,223,100
Healthy families	$ 13,750,000
Fund sources:	
State general fund	$ 8,715,800
Federal temporary assistance for needy families block grant	5,034,200
Homeless youth intervention	$ 400,000
Fund sources:	
Federal temporary assistance for needy families block grant	$ 400,000
Independent living maintenance	$ 3,136,000
Fund sources:	
State general fund	$ 3,136,000
Intensive family services	$ 1,985,600
Fund sources:	
State general fund	$ 1,985,600
Joint substance abuse treatment fund - state general fund	$ 5,000,000

Fund sources:	
State general fund	$ 5,000,000
Permanent guardianship subsidy	$ 8,051,600
Fund sources:	
State general fund	$ 7,192,300
Federal temporary assistance for needy families block grant	859,300
CPS residential placement	$ 17,710,000
Fund sources:	
State general fund	$ 6,543,400
Federal temporary assistance for needy families block grant	11,166,600
Temporary assistance for needy families deposit to the joint substance abuse treatment fund	$ 2,000,000
Fund sources:	
Federal temporary assistance for needy families block grant	$ 2,000,000
Performance measures:	
Per cent of newly hired CPS specialists completing training within 7 months of hire	100
Per cent of children in out-of-home care who have not returned to their families or been permanently placed elsewhere for more than 24 consecutive months	19
Per cent of CPS reports responded to by CPS staff	100
Per cent of CPS original dependencies cases where court denied or dismissed	<1
Per cent of office of administrative hearings where CPS case findings are affirmed	90
Per cent of CPS complaints reviewed by the office of the ombudsman-citizens aide where allegations are reported as valid by the ombudsman	13
Average number of days spent in shelter placements	15
Number of children in shelter care more than 21 days	0
Number of children under 3 in shelter care	0
Number of children under 6 in group homes	0

1 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
2 any transfer to or from the amounts appropriated for children support
3 services, CPS emergency placement, CPS residential placement or foster care
4 placement requires review by the joint legislative budget committee.
5 Of the amounts appropriated for children support services, CPS
6 emergency placement, CPS residential placement and foster care placement,
7 $22,613,100 is appropriated from the federal temporary assistance for needy
8 families block grant to the social services block grant for deposit in the
9 following line items in the following amounts:

Children support services	5,371,700
CPS emergency placement	2,333,700
CPS residential placement	9,833,300
Foster care placement	5,074,400

14 The department of economic security shall provide training to any new
15 child protective services FTE positions before assigning to any of these
16 employees any client caseload duties.
17 It is the intent of the legislature that the department of economic
18 security use the funding in the division of children, youth and families to
19 achieve a one hundred per cent investigation rate.
20 It is the intent of the legislature that the $1,000,000 appropriated to
21 the adoption services - family preservation projects line item be used to
22 promote adoption as an option for children, including but not limited to
23 promoting the agency's adoption program and temporary adoption subsidy
24 payment increases to current adoption subsidy clients. The department shall
25 report the intended use of these monies for review by the joint legislative
26 budget committee by August 1 of each year. The report shall include an
27 evaluation of the most effective means of expending these funds and
28 performance measures to gauge the program's success. The report shall
29 reflect the recommendations of any statutory committee established to provide
30 recommendations on this appropriation.
31 It is the intent of the legislature that the $300,000 appropriated to
32 the adoption services - academic tutoring line item be used to provide
33 tutoring services to adopted children whose education has been disrupted
34 because of multiple out-of-home placements in this state and as a result the
35 child is working below grade level in at least one core subject. This
36 provision shall not be construed to impose a duty on an officer, agent or
37 employee of the state to discharge a responsibility or to create any right in
38 a person or group if the discharge or right would require an expenditure of
39 state monies in excess of the $300,000 appropriation.
40 Employment and rehabilitation services

FTE positions	559.9
Operating lump sum appropriation	$ 31,374,000

Fund sources:	
State general fund	$ 9,471,900
Federal child care and development fund block grant	10,108,000
Federal temporary assistance for needy families block grant	5,712,800
Workforce investment act grant	2,210,200
Special administration fund	85,000
Spinal and head injuries trust fund	549,600
Federal Reed act grant	3,236,500
JOBS	$ 22,936,400
Fund sources:	
State general fund	$ 1,823,300
Federal temporary assistance for needy families block grant	17,613,100
Workforce investment act grant	2,000,000
Special administration fund	1,500,000
Day care subsidy	$162,289,000
Fund sources:	
State general fund	$ 84,482,900
Federal child care and development fund block grant	69,785,800
Federal temporary assistance for needy families block grant	8,020,300
Transitional child care	$ 36,193,000
Fund sources:	
Federal child care and development fund block grant	$ 36,193,000
Vocational rehabilitation services	$ 5,419,100
Fund sources:	
State general fund	$ 5,214,400
Spinal and head injuries trust fund	204,700
Independent living rehabilitation services	$ 2,991,900
Fund sources:	
State general fund	$ 1,284,200
Spinal and head injuries trust fund	1,707,700
Summer youth employment and training	$ 1,250,000

Fund sources:	
State general fund	$ 1,250,000
Workforce investment act - local governments	$ 48,040,600
Fund sources:	
Workforce investment act grant	$ 48,040,600
Workforce investment act - discretionary	$ 3,614,000
Fund sources:	
Workforce investment act grant	$ 3,614,000
Performance measures:	
Number of TANF recipients who obtained employment	20,000
Per cent of customer satisfaction with child care	95.6
Vocational rehabilitation individuals successfully rehabilitated	4,000

Of the $162,289,000 appropriated for day care subsidy, $107,909,000 is for a program in which the upper income limit is no more than one hundred sixty-five per cent of the federal poverty level. This provision shall not be construed to impose a duty on an officer, agent or employee of the state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the $107,909,000 appropriation.

The amounts appropriated for day care subsidy and transitional child care shall be used exclusively for child care costs unless a transfer of monies is reviewed by the joint legislative budget committee. Monies shall not be used from these appropriated amounts for any other expenses of the department of economic security unless a transfer of monies is reviewed by the joint legislative budget committee.

Monies in the child care subsidy and transitional child care line items shall be used to provide services only to residents of the state of Arizona who are citizens or legal residents of the United States or who are otherwise lawfully present in the United States.

Of the sums appropriated, $7,288,900 from the day care subsidy line item and $1,711,100 from the transitional child care line item shall be used to increase the maximum provider reimbursement rate for every district, age group and type of service by five per cent in fiscal year 2007-2008.

All spinal and head injuries trust fund receipts received by the department of economic security in excess of $2,462,000 are appropriated to the independent living rehabilitation services line item. Before the expenditure of any spinal and head injuries trust fund receipts in excess of $2,462,000, the department of economic security shall submit the intended use of the monies for review by the joint legislative budget committee.

It is the intent of the legislature that $500,000 of the $2,991,900 appropriated for independent living rehabilitation services be used to expand the independent living program for the blind and visually impaired.

Monies appropriated to the workforce investment act - discretionary line item may not be expended until a proposed expenditure plan has been reviewed by the joint legislative budget committee.

All federal workforce investment act - discretionary monies that are received by the state in excess of $3,614,000 are appropriated to the workforce investment act - discretionary line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

All federal workforce investment act funds for local governments that are received by the state in excess of $48,040,600 are appropriated to the workforce investment act - local governments line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

Performance measures:

Agencywide customer satisfaction rating (Scale 1-5)	3.8

The above appropriations are in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiations of current leases and associated costs, and (4) total expenditure authority of the child support enforcement program for the month and year-to-date as compared to prior year totals.

The department of economic security shall report the receipt and intended use of all current and prior year reversions from nonappropriated sources to the joint legislative budget committee.

Sec. 29. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION

	2007-08
Administration	
FTE positions	72.5
Operating lump sum appropriation	$ 6,330,500
Total - administration	$ 6,330,500
Fund sources:	
State general fund	$ 6,330,500

The operating lump sum appropriation includes $291,100 and 4 FTE positions for average daily membership auditing and $200,000 and 2 FTE positions for information technology security services.

Formula programs	
FTE positions	29.0
Operating lump sum appropriation	$ 2,133,400
Basic state aid	$3,849,470,400
Fund sources:	
State general fund	$3,804,249,700
Permanent state school fund	45,220,700

The above appropriation provides basic state support to school districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and includes an estimated $45,220,700 in expendable income derived from the permanent state school fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2007-2008.

Receipts derived from the permanent state school fund and any other nonstate general fund revenue source that is dedicated to fund basic state aid will be expended, whenever possible, before expenditure of state general fund monies.

Except as required by section 37-521, Arizona Revised Statutes, all monies received during the fiscal year from national forests, interest collected on deferred payments on the purchase of state lands, the income from the investment of permanent funds as prescribed by the enabling act and the Constitution of Arizona and all monies received by the superintendent of public instruction from whatever source, except monies received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the state treasury are appropriated for apportionment to the various counties in accordance with law. An expenditure shall not be made except as specifically authorized above.

Conditional English learner weight funding	$ 14,300,000

The conditional English learner weight funding line item appropriation does not become effective unless the United States district court for the district of Arizona in the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC, issues an order that the state has taken appropriate action to establish a program that addresses the orders in the case and, at least on an interim basis, the court will permit this appropriation to be fully implemented to determine whether the resulting ELL plans and available funding to implement the plans bear a rational relationship to the cost of implementing appropriate language acquisition programs. The superintendent of public instruction shall notify the executive director of legislative council in writing if this condition is met. This notice shall include the date on which the condition is met.

Additional state aid	$ 359,013,100
Special education fund	35,235,500
Other state aid to districts	983,900
Total - formula programs	$4,261,136,300
Fund sources:	
State general fund	$4,215,915,600
Permanent state school fund	45,220,700
Non-formula programs	
FTE positions	147.4
Operating lump sum appropriation	$ 1,335,100
Achievement testing	10,240,500

Before making any changes to the achievement testing program that will increase program costs, the state board of education shall report the estimated fiscal impact of those changes to the joint legislative budget committee.

AIMS intervention; dropout prevention	5,550,000
School accountability	4,699,100
Adult education and GED	4,468,900

The department shall give persons under twenty-one years of age priority in gaining access to services pertaining to general education development testing.

Chemical abuse	819,900
English learner administration	4,964,500

The appropriated amount is to be used by the department of education to provide English language acquisition services for the purposes of section 15-756.07, Arizona Revised Statutes, and for the costs of providing English language proficiency assessments, scoring and ancillary materials as prescribed by the department of education to school districts and charter schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised Statutes. The department of education may use a portion of the appropriated amount to hire staff or contract with a third party to carry out the purposes of section 15-756.07, Arizona Revised Statutes. Notwithstanding section

41-192, Arizona Revised Statutes, the superintendent of public instruction also may use a portion of the appropriated amount to contract with one or more private attorneys to provide legal services in connection with the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

Compensatory instruction fund deposit	10,000,000
Extended school year	500,000
Family literacy	1,009,100
Gifted support	3,380,100
School safety program	6,722,700
Small pass-through programs	581,600

The appropriated amount includes $50,000 for the academic contest fund, $82,400 for academic decathlon, $50,000 for Arizona geographic alliance, $40,000 for the Arizona humanities council, $25,200 for Arizona principal's academy, $234,000 for Arizona school service through education technology, $50,000 for project citizen and $50,000 for the economic academic council.

State block grant for early childhood education	19,446,300
State block grant for vocational education	11,400,500

The appropriated amount is for block grants to charter schools and school districts that have vocational education programs. It is the intent of the legislature that monies appropriated in the general appropriation act for the state block grant for vocational education be used to promote improved student achievement by providing vocational education programs with flexible supplemental funding that is linked both to numbers of students in such programs and to numbers of program completers who enter jobs in fields directly related to the vocational education program that they completed. It is the intent of the legislature that the amount of the state block grant for vocational education funding that is used for state level administration of the program be limited to no more than the amount used for such costs during the prior fiscal year plus the applicable amount of any pay raise that may be provided for state employees through legislative appropriation.

Vocational education extended year	600,000
Physical education pilot program	110,000
Disabled pupil scholarships	2,500,000
Displaced pupils choice grant program	2,500,000
Teacher certification	1,746,600

Monies collected by the department of education for teacher certification fees, as authorized by section 15-531, paragraphs 1 and 2, Arizona Revised Statutes, shall be deposited in a teacher certification fund for use in funding costs of the teacher certification program.

Parental choice for reading success	1,000,000
Optional performance incentive programs	120,000
Teacher training	3,000,000

The appropriated amount is for the department of education to distribute to the state board of education, which will distribute the monies to the Arizona K-12 center for program implementation and mentor training for the Arizona master teacher program as prescribed by the state board of education.

Alternative teacher development program	1,000,000
Total - nonformula programs	$ 97,694,900
Fund sources:	
State general fund	$ 88,736,300
Proposition 301 fund	7,000,000
Teacher certification fund	1,958,600

Performance measures:

Per cent of students tested who perform at or above the national norm on the norm-referenced test (grade 2)	
-- reading	54
-- math	54
Per cent of students tested who perform at or above the national norm on the norm-referenced test (grade 9)	
-- reading	54
-- math	54
Per cent of schools with at least 75% of students meeting or exceeding standards in:	
-- reading	36
-- writing	36
-- math	35
Per cent of Arizona high school students who enter grade 9 and graduate within 4 years	76
Per cent of students in grade 3 meeting or exceeding state academic standards in:	
-- reading	76
-- writing	76
-- math	79

Per cent of students in grade 5 meeting or exceeding state academic standards in:	
-- reading	76
-- writing	70
-- math	76
Per cent of students in grade 8 meeting or exceeding state academic standards in:	
-- reading	71
-- writing	86
-- math	70
Per cent of students in grade 12 meeting or exceeding state academic standards in:	
-- reading	90
-- writing	90
-- math	90
Per cent of students tested:	
-- norm-referenced test (grades 2 and 9)	97
-- AIMS	97
Per cent of Arizona schools receiving an underperforming label	5.5
Maximum number of days to process complete certification applications	8
Per cent of customers satisfied with certification services	90

State board of education

FTE positions	10.0
Operating lump sum appropriation	$ 1,057,700
Math or science initiatives	$ 2,500,000
Statewide standards for professional development design	150,000

This amount is a one-time appropriation to the state board of education, in collaboration with the department of education, to design a statewide system of standards for teacher professional development. The appropriated amount is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations.

Total - state board of education	$ 3,707,700
Fund sources:	
State general fund	$ 3,335,800
Teacher certification fund	371,900

Performance measures:

Per cent of parents who rate "A+" the public school that their oldest school-age child attends	8.0

The appropriated amount includes $100,000 for administering a survey to a random sample of parents of children in public schools statewide. The survey shall consist of the following question: "Students are given the grades A+, A, B, C, D and Fail to denote the quality of their work. Using the same A+, A, B, C, D and Fail scale, what grade would you give the school that your oldest child attends?"

The state board of education program may establish its own strategic plan separate from that of the department of education and based on its own separate mission, goals and performance measures.

Total appropriation - state board of education and superintendent of public instruction	$4,368,869,400
Fund sources:	
State general fund	$4,314,318,200
Proposition 301 fund	7,000,000
Permanent state school fund	45,220,700
Teacher certification fund	2,330,500

The department shall provide an updated report on its budget status every two months for the first half of each fiscal year and every month thereafter to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting. Each report shall include, at a minimum, the department's current funding surplus or shortfall projections for basic state aid and other major formula-based programs and shall be due thirty days after the end of the applicable reporting period.

Within fifteen days of each apportionment of state aid that occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes, the department shall provide the joint legislative budget committee staff and the governor's office of strategic planning and budgeting with an electronic spreadsheet or database copy of data included in the apor55-1 report for that apportionment for each school district and the char55-1 report for that apportionment for each charter school.

Sec. 30. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	2007-08	2008-09
Administration		
FTE positions	13.9	13.9
Lump sum appropriation	$ 1,848,900	$ 1,848,900
Military gift package postage	100,000	100,000
Total - administration	$ 1,948,900	$ 1,948,900
Fund sources:		
State general fund	$ 1,948,900	$ 1,948,900

Emergency management		
FTE positions	11.0	11.0
Operating lump sum appropriation	$ 1,718,200	$ 1,718,200
Civil air patrol	54,200	54,200
Total - emergency management	$ 1,772,400	$ 1,772,400
Fund sources:		
State general fund	$ 1,639,700	$ 1,639,700
Emergency response fund	132,700	132,700
Military affairs		
FTE positions	66.2	66.2
Operating lump sum appropriation	$ 2,465,900	$ 2,465,900
Guardsmen tuition reimbursement	1,446,000	1,446,000
Project challenge	1,804,800	1,704,800
Total - military affairs	$ 5,716,700	$ 5,616,700
Fund sources:		
State general fund	$ 5,716,700	$ 5,616,700
Total appropriation - department of emergency and military affairs	$ 9,438,000	$ 9,338,000
Fund sources:		
State general fund	$ 9,305,300	$ 9,205,300
Emergency response fund	132,700	132,700
Performance measures:		
Per cent of project challenge graduates either employed or in school	95	95
Customer satisfaction rating for communities served during disasters (Scale 1-8)	6.0	6.0

The department of emergency and military affairs appropriation includes $1,215,000 for service contracts. This amount is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all fiscal year 2007-2008 monies remaining unexpended and unencumbered on October 31, 2008, and all fiscal year 2008-2009 monies remaining unexpended and unencumbered on October 31, 2009, revert to the state general fund.

It is the intent of the legislature that the department of emergency and military affairs submit a request to the United States department of defense by September 30, 2007 to allow the department of emergency and military affairs to conduct training exercises for Arizona national guard units at the Arizona-Mexico border. The department of emergency and military affairs shall report to the joint legislative budget committee by December 31, 2007 on the response of the United States department of defense to this request.

Sec. 31. DEPARTMENT OF ENVIRONMENTAL QUALITY

	2007-08	2008-09
Administration		
FTE positions	144.6	144.6
Lump sum appropriation	$ 14,886,000	$ 14,885,900
Fund sources:		
State general fund	$ 4,354,900	$ 4,354,900
Indirect cost recovery fund	10,531,100	10,531,000
Air programs		
FTE positions	124.9	124.9
Air quality management and analysis	11,392,700	11,389,700
Emissions control contractor payment	33,239,600	33,239,600
Emissions control program - administration	4,180,100	4,180,100
Transfers to counties program	165,000	165,000
Maricopa, Pima and Pinal counties travel reduction plan	1,676,900	1,676,900
Total - air programs	$ 50,654,300	$ 50,651,300
Fund sources:		
State general fund	$ 2,188,800	$ 2,188,800
Air quality fund	5,155,500	5,152,500
Air permits administration fund	5,890,300	5,890,300
Emissions inspection fund	37,419,700	37,419,700
Waste programs		
FTE positions	48.4	48.4
Waste control and management	6,469,200	6,469,200
Underground storage tank program	22,000	22,000
Waste tire program	224,900	224,900
Total - waste programs	$ 6,716,100	$ 6,716,100
Fund sources:		
State general fund	$ 1,973,900	$ 1,973,900
Hazardous waste management fund	780,000	780,000
Recycling fund	2,319,800	2,319,800
Solid waste fee fund	1,483,100	1,483,100
Underground storage tank revolving fund	22,000	22,000
Used oil fund	137,300	137,300
Water programs		
FTE positions	155.5	155.5
Arizona pollutant discharge elimination system	1,481,800	1,481,800

Drinking water regulation program	2,262,700	2,262,700
Surface water regulation program	1,448,000	1,448,000
Underground water regulation program	7,015,200	6,995,200
Total - water programs	$ 12,207,700	$ 12,187,700
Fund sources:		
State general fund	$ 6,348,600	$ 6,348,600
Water quality fee fund	5,859,100	5,839,100
WIFA		
Clean water revolving loan program	1,551,900	1,551,900
Drinking water revolving loan program	893,200	893,200
Water supply development fund	250,000	- 0 -
Total - WIFA	$ 2,695,100	$ 2,445,100
Fund sources:		
State general fund	$ 2,695,100	$ 2,445,100
Total appropriation - department of environmental quality	$ 87,159,200	$ 86,886,100
Fund sources:		
State general fund	$ 17,561,300	$ 17,311,300
Air permits administration fund	5,890,300	5,890,300
Air quality fund	5,155,500	5,152,500
Emissions inspection fund	37,419,700	37,419,700
Hazardous waste management fund	780,000	780,000
Indirect cost recovery fund	10,531,100	10,531,000
Recycling fund	2,319,800	2,319,800
Solid waste fee fund	1,483,100	1,483,100
Underground storage tank revolving fund	22,000	22,000
Used oil fund	137,300	137,300
Water quality fee fund	5,859,100	5,839,100
Performance measures:		
Per cent reduction in drinking water plan review processing time	10.0	10.0
Per cent reduction in Aquifer protection permit processing time	--	15.0
Per cent reduction in Arizona pollutant discharge elimination system permit processing time	20.0	--
Per cent of contaminated sites closed requiring no further action (cumulative) versus known sites	82.0	82.0

Number of nonattainment areas exceeding national ambient air quality standards	5	5
Per cent of statutorily set permit timelines met through licensing time frames rule	99	99
Number of days per year exceeding national ambient air quality standards for ozone, carbon monoxide or particulates	0	0
Per cent of facilities from drinking water priority log assigned to enforcement staff	100	100
Customer satisfaction rating for citizens (Scale 1-8)	7.4	7.4

Of the monies appropriated to the Maricopa, Pima and Pinal counties travel reduction plan line item in fiscal year 2007-2008 and fiscal year 2008-2009, $948,600 shall be allocated to Maricopa county, $373,000 shall be allocated to the Pima association of governments, $87,000 shall be allocated to Pinal county and $268,300 shall be allocated to Pima county.

When expenditures from the hazardous waste or environmental health reserves are authorized, the director of the department of environmental quality shall report the nature of the emergency and the authorized expenditure amount to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee.

All water quality fee fund revenues received by the department of environmental quality in excess of $5,859,100 in fiscal year 2007-2008 and $5,839,100 in fiscal year 2008-2009 are appropriated to the department. Before the expenditure of water quality fee fund receipts in excess of $5,859,100 in fiscal year 2007-2008 and $5,839,100 in fiscal year 2008-2009, the department of environmental quality shall submit the intended use of the monies for review by the joint legislative budget committee.

The Arizona pollutant discharge elimination system is appropriated $1,181,800 in fiscal year 2007-2008 and fiscal year 2008-2009 for the purposes established in title 49, chapter 2, article 3.1, Arizona Revised Statutes. If the department reduces permit processing times for the Arizona pollutant discharge elimination system by at least ten per cent on or before December 31, 2007, then an additional $123,000 and two full-time equivalent positions are appropriated from the state general fund for program expenditures in fiscal year 2008-2009.

If, as determined by the staff director of the joint legislative budget committee and the governor's office of strategic planning and budgeting, the department of environmental quality reduces the licensing time frames permit processing times for AZPDES surface water permits by ten per cent by December 31, 2007, the sum of $123,000 and 2 FTE positions are appropriated from the state general fund in fiscal year 2008-2009 to further reduce permit processing times.

Any transfer from the amount appropriated for the Arizona pollutant discharge elimination system line item shall require prior joint legislative budget committee review.

Pursuant to section 49-282, Arizona Revised Statutes, the department of environmental quality shall submit a fiscal year 2008-2009 and fiscal year 2009-2010 budget for the water quality assurance revolving fund before September 1, 2007, and September 1, 2008, respectively, for review by the senate and house of representatives appropriations committees.

The department of environmental quality shall report annually on the progress of WQARF activities, including emergency response, priority site remediation, cost recovery activity, revenue and expenditure activity and other WQARF-funded program activity. This report shall also include a budget for the WQARF program which is developed in consultation with the WQARF advisory board. The fiscal year 2007-2008 report shall be submitted to the joint legislative budget committee by September 1, 2007, and the fiscal year 2008-2009 report shall be submitted by September 1, 2008. This budget shall specify the monies budgeted for each listed site during fiscal year 2007-2008 and fiscal year 2008-2009. In addition, the department and the advisory board shall prepare and submit to the joint legislative budget committee, by October 2, 2007, and October 2, 2008, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table shall include the stage of remediation for each site at the end of fiscal year 2006-2007 and fiscal year 2007-2008, whether the current stage of remediation is anticipated to be completed in fiscal year 2007-2008 and fiscal year 2008-2009, and the anticipated stage of remediation at each listed site at the end of fiscal year 2008-2009 and fiscal year 2009-2010, assuming fiscal year 2007-2008 and 2008-2009 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

The amounts appropriated for the clean water revolving loan program and the drinking water revolving loan program in fiscal year 2007-2008 and fiscal year 2008-2009 shall be used to provide a twenty per cent match of the fiscal year 2007-2008 and fiscal year 2008-2009 federal safe drinking water and clean water revolving fund allocations to this state. Of the amount appropriated, any amount in excess of the required twenty per cent match reverts to the state general fund.

The monies appropriated in the transfers to counties program line item are for use by Arizona counties to avoid being declared in nonattainment of particulate matter standards by establishing public notification and outreach programs, minimizing exposure to particulate matter concentrations, and abating and minimizing controllable sources of particulate matter through best available control measures. Of the monies in the transfers to counties program line item in fiscal year 2007-2008, and fiscal year 2008-2009, $50,000 shall be used by Pima county for carbon monoxide monitoring as

required by the Pima county limited maintenance plan with the United States environmental protection agency.

The appropriation from the air permits administration fund is an estimate representing all monies distributed to this fund, including balance forward, revenue and transfers during fiscal year 2007-2008 and fiscal year 2008-2009. These monies are appropriated to the department of environmental quality for the purposes established in section 49-455, Arizona Revised Statutes. The appropriation shall be adjusted as necessary to reflect actual final receipts credited to the air permits administration fund.

The department of environmental quality shall submit a written report detailing the maximum, minimum and average water quality permit processing times for fiscal year 2006-2007 by December 1, 2007, and fiscal year 2007-2008 by December 1, 2008, for review by the joint legislative budget committee. The fiscal year 2006-2007 and fiscal year 2007-2008 data shall contain the year-to-date actual data and projected totals for each year. This report shall also include total number of staff hours devoted to water quality permit processing in fiscal year 2006-2007 and fiscal year 2007-2008, the total costs to process these permits, and the progress made in reducing water quality permit processing times.

All indirect cost fund recovery revenues received by the department of environmental quality in excess of $10,531,100 in fiscal year 2007-2008 and $10,531,000 in fiscal year 2008-2009 are appropriated to the department. Before the expenditure of indirect cost recovery fund receipts in excess of $10,531,100 in fiscal year 2007-2008 and $10,531,000 in fiscal year 2008-2009, the department of environmental quality shall submit the intended use of the monies for review by the joint legislative budget committee.

Sec. 32. OFFICE OF EQUAL OPPORTUNITY

	2007-08	2008-09
FTE positions	4.0	4.0
Lump sum appropriation	$ 245,200	$ 245,200
Fund sources:		
State general fund	$ 245,200	$ 245,200

Sec. 33. STATE BOARD OF EQUALIZATION

	2007-08	2008-09
FTE positions	7.0	7.0
Lump sum appropriation	$ 653,500	$ 653,500
Fund sources:		
State general fund	$ 653,500	$ 653,500
Performance measures:		
Average calendar days to process a property tax appeal from receipt to issuance	28	28
Per cent of rulings upheld in tax courts	100	100
Customer satisfaction rating (Scale 1-8)	6.1	6.1

1 Sec. 34. BOARD OF EXECUTIVE CLEMENCY

	2007-08	2008-09
FTE positions	17.0	17.0
Lump sum appropriation	$ 1,087,400	$ 1,087,400
Fund sources:		
State general fund	$ 1,087,400	$ 1,087,400
Performance measures:		
Customer satisfaction rating for victims (Scale 1-8)	6.0	6.0

Sec. 35. ARIZONA EXPOSITION AND STATE FAIR BOARD

	2007-08	2008-09
FTE positions	186.0	186.0
Lump sum appropriation	$ 16,066,100	$ 16,066,100
Fund sources:		
Arizona exposition and state fair fund	$ 16,066,100	$ 16,066,100
Performance measures:		
Fair attendance	1,300,000	1,300,000
Per cent of guests rating state fair "good" or "excellent" based on annual survey	96	96

Sec. 36. DEPARTMENT OF FINANCIAL INSTITUTIONS

	2007-08
FTE positions	57.1
Operating lump sum appropriation	$ 3,757,100
Document imaging project	75,000
Total appropriation - department of financial institutions	$ 3,832,100
Fund sources:	
State general fund	$ 3,832,100
Performance measures:	
Per cent of examinations reports mailed within 25 days of examiner's completion of exam procedures	78.0
Per cent of license applications approved within 45 days of receipt	65.0
Per cent of examinations receiving satisfactory rating	91.0
Average days from receipt to resolution of regular complaints	100.0
Per cent of complainants indicating they received "good" or better service when filing a complaint	75.0

The department of financial institutions shall assess and set fees to ensure that monies deposited in the state general fund will equal or exceed its expenditure from the state general fund.

Sec. 37. DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

	2007-08	2008-09
FTE positions	55.0	55.0
Lump sum appropriation	$ 3,789,500	$ 3,764,000
Fund sources:		
State general fund	$ 3,789,500	$ 3,764,000
Performance measures:		
Per cent of manufactured homes complaints closed vs. complaints filed	98	98
Customer satisfaction rating (Scale 1-5)	4.7	4.7

Sec. 38. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

	2007-08	2008-09
FTE positions	4.0	4.0
Lump sum appropriation	$ 340,600**	$ 340,600
Fund sources:		
Board of funeral directors and embalmers fund	$ 340,600	$ 340,600
Performance measures:		
Average calendar days to resolve a complaint	78	78
Average calendar days to renew a license	23	23
Customer satisfaction rating (Scale 1-8)	7.7	7.7

Sec. 39. GAME AND FISH DEPARTMENT

	2007-08	2008-09
FTE positions	274.5	274.5
Operating lump sum appropriation	$ 31,872,400	$ 31,421,200
Pittman - Robertson/Dingell - Johnson act	2,808,000	2,808,000
Performance incentive pay program	346,800*	346,800*
Lower Colorado multispecies conservation	350,000	350,000
Watercraft grant program	250,000	250,000
Watercraft safety education program	1,275,000	1,175,000
Total appropriation - game and fish department	$ 36,902,200	$ 36,351,000
Fund sources:		
Game and fish fund	$ 30,395,300	$ 30,026,600
Waterfowl conservation fund	43,400	43,400
Wildlife endowment fund	16,000	16,000
Watercraft licensing fund	6,124,300	5,941,800
Game, nongame, fish and endangered species fund	323,200	323,200

Performance measures:

Per cent of the public surveyed rating watercraft safety as "good" or "excellent"	80	80
Per cent of anglers surveyed reporting they were satisfied with their angling experiences	75	75

In addition to the $2,808,000 for the Pittman - Robertson/Dingell - Johnson act line item, the lump sum appropriation includes $40,000 for cooperative fish and wildlife research which may be used for the purpose of matching federal and apportionment funds.

The $300,000 from the game and fish fund and $46,800 from the watercraft licensing fund in fiscal year 2007-2008 and fiscal year 2008-2009 for the performance incentive pay program line item shall be used for personal services and employee-related expenditures associated with the department's performance incentive pay program in accordance with Laws 1999, chapter 138. This appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

The shooting range appropriation of $100,000 in fiscal year 2007-2008 and fiscal year 2008-2009, included in the lump sum appropriation, is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2009.

Sec. 40. DEPARTMENT OF GAMING

	2007-08	2008-09
FTE positions	123.0	123.0
Operating lump sum appropriation	$ 9,156,700	$ 8,454,700
Casino operations certification	2,186,900	2,173,900
Problem gambling	2,724,600	3,185,100
Joint monitoring system	1,188,100	2,442,100
Total appropriation - department of gaming	$ 15,256,300	$ 16,255,800
Fund sources:		
Tribal-state compact fund	$ 2,186,900	$ 2,173,900
Arizona benefits fund	12,769,400	13,781,900
State lottery fund	300,000	300,000
Performance measures:		
Per cent of gaming facilities reviewed for compact compliance	100	100
Per cent of vendor customers satisfied with process	96	96

If information technology authorization committee approval is required for the project investment justification for the joint monitoring system and the information technology authorization committee does not approve the project investment justification, monies for the joint monitoring system line item shall not be spent and will revert to the instructional improvement fund.

Sec. 41. ARIZONA GEOLOGICAL SURVEY

	2007-08	2008-09
FTE positions	12.3	12.3
Lump sum appropriation	$ 1,073,900	$ 1,073,900
Fund sources:		
State general fund	$ 1,073,900	$ 1,073,900
Performance measures:		
Satisfaction with service provided (Scale 1-5)	4.9	4.9

Sec. 42. GOVERNMENT INFORMATION TECHNOLOGY AGENCY

	2007-08	2008-09
FTE positions	21.0	21.0
Lump sum appropriation	$ 6,455,800	$ 7,758,600
E-health initiative	1,500,000	1,500,000
Total appropriation - government information technology agency	$ 7,955,800	$ 9,258,600
Fund sources:		
State general fund	$ 1,500,000	$ 1,500,000
Information technology fund	$ 2,755,800	$ 2,758,600
State web portal fund	$ 3,700,000	$ 5,000,000
Performance measures:		
Per cent of information technology (IT) projects completed on schedule	96	96
Per cent of IT projects completed within budget	96	96
Per cent of agency IT managers rating GITA performance as excellent	60	60
Per cent of IT projects that are compliant with state enterprise architecture standards	90	90

Sec. 43. OFFICE OF THE GOVERNOR

	2007-08	2008-09
Lump sum appropriation	$ 7,134,800*	$ 7,134,800*
Fund sources:		
State general fund	$ 7,134,800	$ 7,134,800

Included in the lump sum appropriations of $7,134,800 for fiscal year 2007-2008 and fiscal year 2008-2009 is $10,000 each fiscal year for the purchase of mementos and items for visiting officials.

Sec. 44. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	2007-08	2008-09
FTE positions	26.0	26.0
Lump sum appropriation	$ 2,209,900	$ 2,209,900
Fund sources:		
State general fund	$ 2,209,900	$ 2,209,900
Performance measures:		
Per cent of participants rating budget and planning training "good" or "excellent"	98	98

Sec. 45. DEPARTMENT OF HEALTH SERVICES

	2007-08
Administration	
FTE positions	432.8
Operating lump sum appropriation	$ 16,546,400
Fund sources:	
State general fund	$ 13,764,400
Capital outlay stabilization fund	1,578,100
Emergency medical services operating fund	203,900
Indirect cost fund	1,000,000
Assurance and licensure	$ 11,769,600
Fund sources:	
State general fund	$ 9,692,800
Federal child care and development fund block grant	805,100
Hearing and speech professionals fund	331,100
Nursing care institution resident protection revolving fund	38,000
Expenditure authority	902,600
Attorney general legal services	$ 444,900
Fund sources:	
State general fund	$ 394,900
Emergency medical services operating fund	50,000
Newborn screening program fund - indirect costs	$ 478,600
Fund sources:	
Newborn screening program fund	$ 478,600
Nursing care institution quality improvement grants	$ 400,000
Fund sources:	
Nursing care institution resident protection fund	$ 400,000
Indirect cost fund	$ 7,763,300
Fund sources:	
Indirect cost fund	$ 7,763,300

1 Performance measures:
2 Per cent of relicensure surveys completed
3 on time:
4 Child care facilities 70
5 Health care facilities 85
6 Per cent of complaint investigations initiated
7 later than investigative guidelines:
8 Child care facilities 0
9 Health care facilities 15
10 Contingent on federal approval of the use of these monies, the $400,000
11 appropriation for nursing care institution quality improvement grants shall
12 be used to award grants to applicant nursing care institutions that in the
13 past has received one or more deficiencies on the annual facility compliance
14 and licensure survey conducted pursuant to section 36-425.02, Arizona Revised
15 Statutes, regardless of the actual date of the survey. The purpose of the
16 nursing care institution quality improvement grant is to improve the quality
17 in the particular facility in reference to one or more of six specific
18 quality measures: 1) reduction in incidences of pressure ulcers;
19 2) reduction in physical restraints; 3) improvement in pain management;
20 4) reduction in incontinence; 5) reduction in falls; 6) reduction in the use
21 of anti-psychotic medication. A nursing care institution must use a grant
22 awarded pursuant to this paragraph only for programs and activities designed
23 to improve the quality of resident care in the specified six quality
24 measures. The department shall make awards based on the likelihood of
25 success of the grant in addressing one or more of the specified quality
26 measures, the potential development of services or procedures that will
27 contribute to best practices methodology in addressing one or more of the
28 specified criteria, the financial controls identified to ensure the proper
29 expenditure of grant funds and the quality and development of the
30 application. The grant funds shall be available after July 1, 2007. The
31 department shall adopt application forms, time frames for application, time
32 frames for response and time frames for question and answer follow-up. The
33 department may stipulate that if any applicant does not meet any particular
34 time frame in the application process, the applicant's request for a grant is
35 dismissed. The nursing care institution may use available grant funds for
36 measurement tools, in-service training, consultation, technology improvement,
37 work force development initiatives, systems improvements, medication
38 management improvements and development and adoption of best practices and
39 materials in order to improve one or more of the specified quality measures.
40 The department may divide the appropriation based on the number and scope of
41 approved applications into a number of grants that the department deems
42 appropriate. If a facility is awarded a grant, it must submit in writing to
43 spend the grant on the program contained in its application or forfeit the
44 grant and repay the funds to the department. The department may require a
45 grant awardee to report the uses of the award and to share data and best

practices that have been developed by the facility. If the facility transfers ownership, the department shall award the grant to the licensee at the time of the award. If the facility ceases operation before the quality improvement grant distribution date it is not eligible for a quality improvement grant. Up to ten per cent of the monies appropriated to the department for quality improvement grants may be used by the department for administrative purposes. Monies appropriated for nursing care institution quality improvement grants shall not be used for any other expenses of the department of health services without review of the joint legislative budget committee. Any transfer to or from the amounts appropriated for nursing care institution quality improvement grants shall require prior review by the joint legislative budget committee.

Public health	
FTE positions	248.1
Operating lump sum appropriation	$ 6,426,700
Fund sources:	
State general fund	$ 5,599,700
Emergency medical services operating fund	827,000
AIDS reporting and surveillance	$ 1,125,000
Fund sources:	
State general fund	$ 1,125,000
Alzheimer's disease research	$ 4,000,000
Fund sources:	
State general fund	$ 3,000,000
Tobacco tax and health care fund - health research account	1,000,000
Arizona statewide immunization information system	$ 503,200
Fund sources:	
State general fund	$ 503,200
Community health centers	$ 14,964,900
Fund sources:	
State general fund	$ 10,464,900
Tobacco tax and health care fund - medically needy account	4,500,000
County public health	$ 200,000
Fund sources:	
State general fund	$ 200,000
County tuberculosis provider care and control	$ 1,410,500

Fund sources:	
State general fund	$ 1,410,500
Diabetes prevention and control	$ 400,000
Fund sources:	
State general fund	$ 400,000
Direct grants	$ 460,300
Fund sources:	
State general fund	$ 460,300
EMS operations	$ 3,173,800
Fund sources:	
Emergency medical services operating fund	$ 3,173,800
Hepatitis C surveillance	$ 397,800
Fund sources:	
State general fund	$ 397,800
Kidney program	$ 50,500
Fund sources:	
State general fund	$ 50,500
Laboratory services	$ 5,176,700
Fund sources:	
State general fund	$ 4,227,700
Environmental laboratory licensure revolving fund	949,000
Loan repayment	$ 250,000
Fund sources:	
State general fund	$ 100,000
Emergency medical services operating fund	150,000
Poison control center funding	$ 925,000
Fund sources:	
State general fund	$ 925,000
Reimbursement to counties	$ 67,900
Fund sources:	
State general fund	$ 67,900
Renal and nonrenal disease management	$ 468,000
Fund sources:	
State general fund	$ 468,000
Scorpion antivenom	$ 150,000
Fund sources:	
State general fund	$ 150,000
STD control subventions	$ 26,300

Fund sources:	
State general fund	$ 26,300
Telemedicine	$ 260,000
Fund sources:	
State general fund	$ 260,000
Teratogen program	$ 60,000
Fund sources:	
State general fund	$ 60,000
Trauma advisory board	$ 393,600
Fund sources:	
Emergency medical services operating fund	$ 393,600
University of Arizona poison control center funding	$ 1,275,000
Fund sources:	
State general fund	$ 1,275,000
Vaccines	$ 10,410,400
Fund sources:	
State general fund	$ 10,410,400
Valley fever	$ 300,000
Fund sources:	
State general fund	$ 300,000
Vital records maintenance	$ 500,300
Fund sources:	
Vital records electronic systems fund	$ 500,300
Performance measures:	
Immunization rate among two-year-old children	84
Per cent of high school youth who smoked in the last month	18
Customer waiting time in vital records lobby (in minutes)	14

Of the $14,964,900 appropriated for community health centers, at least $564,000 shall be distributed to Yavapai county for county primary care programs.

The department of health services may use up to four per cent of the amounts appropriated for renal and nonrenal disease management, community health centers and telemedicine for the administrative costs to implement each program.

1 Monies appropriated for AIDS reporting and surveillance and renal and
2 nonrenal disease management shall be used to provide services only to
3 residents of the state of Arizona who are citizens or legal residents of the
4 United States or who are otherwise lawfully present in the United States.
5 The department of health services shall require the screening of
6 potential recipients of vaccines for private insurance coverage, eligibility
7 for the federal vaccines for children program and eligibility for the state
8 children's health insurance program. This requirement applies to vaccines
9 purchased with state monies appropriated for the vaccines line item for both
10 the federal 317 program and the state-only immunization program.
11 The department of health services shall report to the joint legislative
12 budget committee by February 1, 2008 on the amount of federal monies received
13 for fiscal year 2007-2008 for the 317 vaccine program.
14 The appropriation for direct grants is to provide for local health work
15 and a portion of the cost of employing one public health nurse and one
16 sanitarian in counties with populations of less than 500,000 persons. The
17 monies are to be divided equally among eligible counties on a nonmatching
18 basis. All monies that are received by a county under this appropriation and
19 that are not used for the prescribed purposes revert to the state general
20 fund.
21 The $67,900 appropriated for reimbursement to counties is to provide
22 matching monies to counties with populations of less than five hundred
23 thousand persons for local health work on an equal matching basis and shall
24 be distributed based on the proportion of funding each county received in
25 fiscal year 2002-2003.
26 The $200,000 appropriated for county public health shall be distributed
27 as follows to the following counties to reimburse local health departments
28 pursuant to section 36-189, Arizona Revised Statutes: Coconino, $36,220;
29 Gila, $5,440; Mohave, $30,780; Yavapai, $25,820; Yuma, $101,740.
30 The first $4,500,000 in tobacco tax revenue deposited to the tobacco
31 tax and healthcare fund - medically needy account shall be distributed to the
32 department of health services for the community health centers line item.
33 The department of health services shall distribute a pamphlet on
34 umbilical cord blood pursuant to section 36-112, Arizona Revised Statutes.
35 The department shall distribute the pamphlet free of charge to physicians and
36 health care institutions on request and shall make the pamphlet available on
37 its website.
38 The department of health services shall submit a report to the
39 governor, the speaker of the house of representatives, the president of the
40 senate and the joint legislative budget committee on or before March 1, 2008
41 on the current national or state system for reporting and collecting
42 information regarding adverse effects of vaccines. The report shall include
43 the number of reported incidences in this state of adverse reactions to
44 vaccines in the prior calendar year, the entities that a health care
45 professional contacts when the professional suspects a person has had an

adverse reaction to a vaccine, the information that is provided when an adverse reaction is reported and whether or not reporting adverse reactions to vaccines by a health care professional is voluntary or mandatory. The report shall also include how other states collect and disseminate information related to the adverse effects of vaccines on individuals. The report shall include information regarding all vaccines administered in this state, including vaccines purchased with both state and federal monies as well as through private insurance.

Family health	
FTE positions	96.8
Operating lump sum appropriation	$ 5,807,400
Fund sources:	
State general fund	$ 3,704,100
Expenditure authority	2,103,300
Abstinence funding	$ 1,500,000
Fund sources:	
State general fund	$ 1,500,000
Adult cystic fibrosis	$ 105,200
Fund sources:	
State general fund	$ 105,200
Adult sickle cell anemia	$ 33,000
Fund sources:	
State general fund	$ 33,000
AHCCCS - children's rehabilitative services	$ 63,791,900
Fund sources:	
State general fund	$ 21,517,000
Expenditure authority	42,274,900
Breast and cervical cancer screening	$ 1,345,500
Fund sources:	
State general fund	$ 1,345,500
Child fatality review team	$ 100,000
Fund sources:	
Child fatality review fund	$ 100,000
Children's rehabilitative services	$ 3,587,000
Fund sources:	
State general fund	$ 3,587,000
County nutrition services	$ 330,300
Fund sources:	
State general fund	$ 330,300
County prenatal services grant	$ 1,148,500

Fund sources:	
State general fund	$ 1,148,500
Folic acid	$ 400,000
Fund sources:	
Tobacco tax and health care fund - medically needy account	$ 400,000
Health start	$ 226,600
Fund sources:	
State general fund	$ 226,600
High risk perinatal services	$ 5,430,600
Fund sources:	
State general fund	$ 4,980,600
Emergency medical services operating fund	450,000
Medicaid special exemption payments	$ 1,361,700
Fund sources:	
State general fund	$ 459,300
Expenditure authority	902,400
Modular dental buildings	$ 200,000
Fund sources:	
State general fund	$ 200,000
Newborn screening program	$ 6,269,200
Fund sources:	
Newborn screening program fund	$ 6,269,200
Senior food program	$ 600,000
Fund sources:	
State general fund	$ 600,000
Women's services	$ 500,000
Fund sources:	
State general fund	$ 500,000
Performance measures:	
Number of newborns screened under newborn screening program	100,000

The amounts appropriated for children's rehabilitative services and for AHCCCS - children's rehabilitative services are intended to cover all costs in full for contracts for the provision of services to clients, unless a transfer of monies is reviewed by the joint legislative budget committee.

The department of health services may transfer up to $350,000 in revenues from the indirect cost fund to the Arizona health care cost containment system administration for the purpose of meeting indirect cost state match requirements related to AHCCCS - children's rehabilitative services program.

1 Of the $5,430,600 appropriated for high risk perinatal services
2 $583,000 shall be distributed to counties.
3 Monies in the women's services line item shall be used to provide
4 $20,000 in individual grants to nonprofit agencies whose primary function is
5 to assist pregnant women in seeking alternatives to abortion. Grant monies
6 shall be used to provide medically accurate services and programs related to
7 pregnancy and up to twelve months after birth. Grant monies shall not be
8 used for abortion or abortion referral services or granted to entities that
9 promote, refer or perform abortions. The department may use up to ten per
10 cent of monies appropriated to this line item for any associated
11 administrative costs.

12 Behavioral health	
13 FTE positions	166.0
14 Operating lump sum appropriation	$ 9,307,800
15 Fund sources:	
16 State general fund	$ 4,450,100
17 Expenditure authority	4,857,700
18 Arnold v. Sarn	$ 37,323,600
19 Fund sources:	
20 State general fund	$ 27,500,000
21 Expenditure authority	9,823,600
22 Children's behavioral health	
23 services	$ 9,351,800
24 Fund sources:	
25 State general fund	$ 9,351,800
26 Children's behavioral health state	
27 match for title XIX	$346,792,500
28 Fund sources:	
29 State general fund	$116,973,100
30 Expenditure authority	229,819,400
31 Court monitoring	$ 197,500
32 Fund sources:	
33 State general fund	$ 197,500
34 Dual eligible part D copay subsidy	$ 802,600
35 Fund sources:	
36 State general fund	$ 802,600
37 Medicaid special exemption	
38 payments	$ 18,550,800
39 Fund sources:	
40 State general fund	$ 6,257,200
41 Expenditure authority	12,293,600
42 Medicare clawback payments	$ 9,771,900

Fund sources:	
State general fund	$ 9,771,900
Mental health and substance abuse state match for title XIX	$ 94,512,600
Fund sources:	
State general fund	$ 31,879,100
Expenditure authority	62,633,500
Mental health nontitle XIX	$ 2,447,300
Fund sources:	
State general fund	$ 2,447,300
Proposition 204 - administration	$ 6,534,800
Fund sources:	
State general fund	$ 2,130,200
Expenditure authority	4,404,600
Proposition 204 - children's behavioral health services	$ 4,596,200
Fund sources:	
State general fund	$ 1,550,300
Expenditure authority	3,045,900
Proposition 204 - general mental health and substance abuse	$ 87,684,300
Fund sources:	
State general fund	$ 29,575,900
Expenditure authority	58,108,400
Proposition 204 - seriously mentally ill services	$161,672,100
Fund sources:	
State general fund	$ 54,532,000
Expenditure authority	107,140,100
Seriously emotionally handicapped children	$ 500,000
Fund sources:	
State general fund	$ 500,000
Seriously mentally ill nontitle XIX	$ 61,116,700
Fund sources:	
State general fund	$ 30,691,900
Tobacco tax and health care fund medically needy account	30,424,800
Seriously mentally ill state match for title XIX	$170,251,100

Fund sources:	
State general fund	$ 57,425,700
Expenditure authority	112,825,400
Substance abuse nontitle XIX	$ 14,635,400
Fund sources:	
State general fund	$ 12,135,400
Substance abuse services fund	2,500,000
Youth methamphetamine prevention program	$ 500,000
Fund sources:	
State general fund	$ 500,000
Crisis intervention training grants	$ 250,000
Fund sources:	
State general fund	$ 250,000
Contract compliance	$ 7,296,500
Fund sources:	
State general fund	$ 2,461,100
Expenditure authority	4,835,400
Institutions for mental disease	$ 8,267,700
Fund sources:	
State general fund	$ 4,813,200
Expenditure authority	$ 3,454,500
Performance measures:	
Per cent of RBHA title XIX clients satisfied with services	90
Per cent of title XIX population that is enrolled in a behavioral health service	13.5

The amount appropriated for children's behavioral health services shall be used to provide services for nontitle XIX eligible children. The amount shall not be used to pay for either federally or nonfederally reimbursed services for title XIX eligible children, unless a transfer of monies is reviewed by the joint legislative budget committee.

It is the intent of the legislature that the total amount available in the Arnold v. Sarn line item be used for the population covered by the Arnold v. Sarn lawsuit in counties with a population of two million or more persons and for seriously mentally ill persons that meet the same criteria as those covered by the Arnold v. Sarn lawsuit in counties with populations of less than two million persons.

It is the intent of the legislature that the per cent attributable to administration/profit for the regional behavioral health authority in Maricopa county is nine per cent of the overall capitation rate.

The department of health services shall report to the joint legislative budget committee thirty days after the end of each calendar quarter on the progress the department is making toward settling the Arnold v. Sarn lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule.

Monies appropriated for youth methamphetamine prevention programs shall be distributed to a statewide alliance of community-based organizations with a proven track record in providing substance abuse prevention programming to children. Programs must serve children in rural, urban and Indian communities and military bases in Arizona. The department of health services shall submit a quarterly summary of the reports received from the organizations to the governor, the president of the senate and the speaker of the house of representatives and the joint legislative budget committee.

The $250,000 appropriation for crisis intervention training grants shall be used for training and community coordination costs, with input from stakeholders from the community, to train law enforcement agencies and first responders in best practices in the treatment of individuals with mental illness. Grant monies shall be used by recipients to supplement, and not supplant, existing funding for this purpose. Monies in the crisis intervention training grants line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through fiscal year 2008-2009. The department shall submit a report to the joint legislative budget committee on or before October 1, 2008 on the progress made in crisis intervention training as a result of this funding.

It is the intent of the legislature that the statewide weighted average capitation rate increase for children's behavioral health services attributable to the JK v. Gerard lawsuit be $4.70 per member per month for the contract year beginning July 1, 2007.

Before expending any monies from the contract compliance line item, the department shall present a proposed expenditure plan for review by the joint legislative budget committee.

Arizona state hospital	
FTE positions	877.7
Operating lump sum appropriation	$ 55,335,800
Fund sources:	
State general fund	$ 50,143,600
Arizona state hospital fund	4,842,200
Arizona state hospital land earnings fund	350,000
Community placement treatment	$ 6,704,800

Fund sources:	
State general fund	$ 5,574,100
Arizona state hospital fund	1,130,700
Sexually violent persons	$ 11,269,100
Fund sources:	
State general fund	$ 11,269,100
Electronic medical records	$ 300,000
Fund sources:	
State general fund	$ 300,000
Performance measures:	
Per cent of adult clients successfully placed in community who return for another stay within one year of discharge	4.0

The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than two per cent. Before implementation of any changes in capitation rates for the AHCCCS - children's rehabilitative services line item and any title XIX behavioral health line items, the department of health services shall report its expenditure plan for review by the joint legislative budget committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the joint legislative budget committee.

In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent land funds are appropriated to the state hospital in compliance with the enabling act and the Constitution of Arizona.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include an estimate of (1) potential shortfalls in programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, and (3) total expenditure authority of the month and year-to-date for seriously mentally ill state

match for title XIX, seriously mentally ill nontitle XIX, children's behavioral health services, children's behavioral health state match for title XIX, mental health nontitle XIX, substance abuse nontitle XIX, seriously emotionally handicapped children and children's rehabilitative services.

Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any transfer to or from the amounts appropriated for seriously mentally ill state match for title XIX, seriously mentally ill nontitle XIX, Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral health services, children's behavioral health state match for title XIX, mental health nontitle XIX, substance abuse nontitle XIX, mental health and substance abuse state match for title XIX, seriously emotionally handicapped children, children's rehabilitative services, AHCCCS - children's rehabilitative services, adult cystic fibrosis, adult sickle cell anemia, high risk perinatal services, county prenatal services grant, community placement treatment, dual eligible copay subsidy, sexually violent persons, county tuberculosis provider care and control, kidney program, county nutrition services, community health centers, vaccines, renal and nonrenal disease management, AIDS reporting and surveillance, telemedicine, university of Arizona poison center funding, poison control center funding, vital records management and women's services shall require review by the joint legislative budget committee. The department may transfer monies between the amounts appropriated for proposition 204 children's behavioral health services, proposition 204 seriously mentally ill services and proposition 204 general mental health and substance abuse without review by the joint legislative budget committee but may not transfer monies to and from these line items to any other line item except as provided above without review by the joint legislative budget committee. The amounts appropriated for these items shall be used exclusively for contracts for the provision of services to clients unless a transfer of monies is reviewed by the joint legislative budget committee or unless otherwise permitted to be expended for administrative costs as specified in this act. Monies shall not be used from these appropriated amounts for any other expenses of the department of health services, unless a transfer of monies is reviewed by the joint legislative budget committee.

Sec. 46. ARIZONA HISTORICAL SOCIETY

	2007-08	2008-09
FTE positions	59.9	59.9
Operating lump sum appropriation	$ 2,339,900	$ 2,339,900
Field services and grants	80,000	80,000
Papago park museum	2,172,100	2,172,600
Total appropriation - Arizona historical society	$ 4,592,000	$ 4,592,500

Fund sources:		
State general fund	$ 4,398,800	$ 4,398,800
Capital outlay stabilization fund	193,200	193,700
Performance measures:		
Paid number of visitors	36,000	36,000
Customer satisfaction rating (Scale 1-8)	7.0	7.0

Sec. 47. PRESCOTT HISTORICAL SOCIETY

	2007-08	2008-09
FTE positions	16.0	16.0
Lump sum appropriation	$ 734,000	$ 734,000
Fund sources:		
State general fund	$ 734,000	$ 734,000
Performance measures:		
Paid number of visitors	15,000	15,000
Customer satisfaction rating (Scale 1-8)	7.9	7.9

Sec. 48. BOARD OF HOMEOPATHIC MEDICAL EXAMINERS

	2007-08	2008-09
FTE positions	1.0	1.0
Lump sum appropriation	$ 93,200**	$ 91,500
Fund sources:		
Board of homeopathic medical examiner's fund	$ 93,200	$ 91,500
Performance measures:		
Average calendar days to resolve a complaint	145	145
Average calendar days to renew a license	45	45
Customer satisfaction rating (Scale 1-8)	6.0	6.0

Sec. 49. DEPARTMENT OF HOUSING

	2007-08	2008-09
FTE positions	12.0	12.0
Lump sum appropriation	$ 851,200	$ 909,300
Fund sources:		
Housing trust fund	$ 851,200	$ 909,300
Performance measures:		
Households assisted into homeownership	1,000	1,000
Affordable rental units assisted	2,000	2,000
Customer satisfaction rating (Scale 1-7)	6.1	6.1

Sec. 50. ARIZONA COMMISSION OF INDIAN AFFAIRS

	2007-08	2008-09
FTE positions	3.0	3.0
Lump sum appropriation	$ 223,300	$ 223,300
Fund sources:		
State general fund	$ 223,300	$ 223,300

Performance measures:		
Per cent of customer surveys rating overall satisfaction as "good", "better" or "excellent"	88	88

Sec. 51. INDUSTRIAL COMMISSION OF ARIZONA

	2007-08	2008-09
FTE positions	294.0	294.0
Lump sum appropriation	$ 19,429,100	$ 19,416,200
Fund sources:		
Industrial commission administrative fund	$ 19,429,100	$ 19,416,200
Performance measures:		
Average number of days to resolve a case by the administrative law judge division	118	118
Per cent of workers' compensation claims processed within five days	99	99
Elevator inspections conducted	6,300	6,300
Customer satisfaction rating for workers' compensation program (Scale 1-8)	7.1	7.1

Sec. 52. DEPARTMENT OF INSURANCE

	2007-08	2008-09
FTE positions	106.5	106.5
Operating lump sum appropriation	$ 6,764,100	$ 6,764,100
Managed care and dental plan oversight	601,700	601,700
Health care group audit	200,000	0
Total appropriation - department of insurance	$ 7,565,800	$ 7,365,800
Fund sources:		
State general fund	$ 7,365,800	$ 7,365,800
Tobacco tax and health care fund - medically needy account	200,000	0
Performance measures:		
Average calendar days to complete a consumer complaint investigation	75	75
Per cent of survey licensees respondents indicating "satisfied" or "better"	93	93
Per cent of consumer services survey respondents indicating "satisfied" or "better"	77	77
Average number of days to issue a license	45	45

It is the intent of the legislature that $294,000 in fiscal year 2007-2008 and fiscal year 2008-2009 shall be for new agreements to prosecute fraud cases and shall be funded by the department from revenues from fraud unit fees.

Sec. 53. ARIZONA JUDICIARY

	2007-08
Supreme court	
FTE positions	194.0
Operating lump sum appropriation	$ 16,777,900
Automation	12,391,500
Case and cash management system	1,517,300
County reimbursements	246,000
Court appointed special advocate	3,545,500
Domestic relations	752,800
Foster care review board	2,369,700
Commission on judicial conduct	450,100
Judicial nominations and performance review	314,100
Model court	514,300
Rural state aid to courts	418,500
State aid	7,091,000
Total appropriation - supreme court	$ 46,388,700
Fund sources:	
State general fund	$ 18,023,400
Confidential intermediary and fiduciary fund	470,600
Court appointed special advocate fund	3,443,500
Criminal justice enhancement fund	3,061,600
Defensive driving school fund	5,395,100
Judicial collection enhancement fund	12,049,800
State aid to the courts fund	3,944,700
Performance measures:	
Customer satisfaction rating for defensive driving schools (Scale 1-8)	7.9

By September 1, 2007, the supreme court shall report to the joint legislative budget committee on current and future automation projects coordinated by the administrative office of the courts. The report shall include a list of court automation projects receiving or anticipated to receive state monies in the current or next two fiscal years as well as a description of each project, number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project's total multi-year cost by fund source and budget line item, including any prior year, current year and any future year expenditures.

By December 31, 2007 and June 30, 2008, the administrative office of the courts shall report to the joint legislative budget committee on monies expended from the case and cash management system line item and progress relative to the development and deployment of the case and cash management system. The report shall include a timeline and expenditure plan for the project, identify the courts involved and their respective monetary and nonmonetary contributions and indicate progress and changes relative to the project since the previous timeline and expenditure plan was submitted.

Included in the appropriation for the supreme court program is $1,000 for the purchase of mementos and items for visiting officials.

All case processing assistance fund receipts received by the administrative office of the courts in excess of $3,061,600 in fiscal year 2007-2008 are appropriated to the supreme court. Before the expenditure of any case processing assistance fund receipts in excess of $3,061,600 in fiscal year 2007-2008, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

All defensive driving school fund receipts received by the administrative office of the courts in excess of $5,395,100 in fiscal year 2007-2008 are appropriated to the supreme court. Before the expenditure of any defensive driving school fund receipts in excess of $5,395,100 in fiscal year 2007-2008, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

Notwithstanding any other law, the amount appropriated for rural state aid to the courts shall be allocated to counties with populations of less than five hundred thousand persons.

All judicial collection enhancement fund receipts, excluding revenues resulting from the probation surcharge, received by the administrative office of the courts in excess of $12,049,800 in fiscal year 2007-2008 are appropriated to the supreme court. Before the expenditure of judicial collection enhancement fund receipts in excess of $12,049,800 in fiscal year 2007-2008, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

The administrative office of the courts shall not transfer monies between the supreme court operating budget and the automation line item without review by the joint legislative budget committee.

Court of appeals	
FTE positions	147.5
Division I	$ 9,500,400

Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	7.7
Division II	$ 4,229,000
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	7.8
Total appropriation - court of appeals	$ 13,729,400
Fund sources:	
State general fund	$ 13,729,400

Of the 147.5 FTE positions for fiscal year 2007-2008, 107.2 FTE positions are for Division I and 40.3 FTE positions are for Division II.

Superior court	
FTE positions	234.5
Judges compensation	$ 17,732,500
Adult standard probation	13,626,800
Adult intensive probation	11,316,500
Community punishment	2,854,800
Interstate compact	640,400
Sex offenders GPS monitoring	750,000
Drug court	1,000,000
Juvenile standard probation	4,995,500
Juvenile intensive probation	10,130,900
Juvenile treatment services	22,454,000
Juvenile family counseling	660,400
Juvenile crime reduction	5,202,600
Probation surcharge	2,723,800
Progressively increasing consequences	10,168,500
Special water master	20,000
Total appropriation - superior court	$104,276,700
Fund sources:	
State general fund	$ 94,019,900
Criminal justice enhancement fund	7,033,000
Drug treatment and education fund	500,000
Judicial collection enhancement fund	2,723,800
Performance measures:	
Customer satisfaction rating by states participating in the interstate compact (Scale 1-8)	7.0

1 Juvenile standard probation:
2 Per cent of probationers successfully
3 completing probation without a referral
4 (a notice of misbehavior) 88
5 Juvenile intensive probation (JIPS):
6 Per cent of probationers successfully
7 completing probation without a referral
8 (a notice of misbehavior) 68
9 Adult standard probation:
10 Per cent of probationers exiting probation
11 and not committed to county jail or prison 83
12 Adult intensive probation (AIPS):
13 Per cent of probationers exiting intensive
14 probation and not committed to county jail
15 or prison 51
16 Of the 234.5 FTE positions, 171 FTE positions represent superior court
17 judges. One-half of their salaries are provided by state general fund
18 appropriations pursuant to section 12-128, Arizona Revised Statutes. This is
19 not meant to limit the counties' ability to add judges pursuant to section
20 12-121, Arizona Revised Statutes.
21 Up to 4.6 per cent of the amounts appropriated for juvenile probation
22 services - treatment services and progressively increasing consequences may
23 be retained and expended by the supreme court to administer the programs
24 established by section 8-322, Arizona Revised Statutes, and to conduct
25 evaluations as needed. The remaining portion of the treatment services and
26 progressively increasing consequences programs shall be deposited in the
27 juvenile probation services fund established by section 8-322, Arizona
28 Revised Statutes.
29 Receipt of state probation monies by the counties is contingent on the
30 county maintenance of fiscal year 2003-2004 expenditure levels for each
31 probation program. State probation monies are not intended to supplant
32 county dollars for probation programs.
33 All community punishment program receipts received by the
34 administrative office of the courts in excess of $2,854,800 in fiscal year
35 2007-2008 are appropriated to the community punishment line item. Before the
36 expenditure of any community punishment receipts in excess of $2,854,800 in
37 fiscal year 2007-2008, the administrative office of the courts shall submit
38 the intended use of the monies for review by the joint legislative budget
39 committee.
40 All juvenile crime reduction fund receipts received by the
41 administrative office of the courts in excess of $5,202,600 in fiscal year
42 2007-2008 are appropriated to the juvenile crime reduction line item. Before
43 the expenditure of any juvenile crime reduction fund receipts in excess of
44 $5,202,600 in fiscal year 2007-2008, the administrative office of the courts

shall submit the intended use of the monies for review by the joint legislative budget committee.

All judicial collection enhancement fund receipts received by the administrative office of the courts resulting from the probation surcharge in excess of $2,723,800 in fiscal year 2007-2008 are appropriated to the superior court. Before the expenditure of judicial collection enhancement fund receipts in excess of $2,723,800 in fiscal year 2007-2008, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

By November 1, 2007, the administrative office of the courts shall report to the joint legislative budget committee the fiscal year 2006-2007 actual, fiscal year 2007-2008 estimated and fiscal year 2008-2009 requested amounts for the following:

1. On a county-by-county basis, the number of authorized and filled case carrying probation positions and non-case carrying positions, distinguishing between adult standard, adult intensive, juvenile standard and juvenile intensive. The report shall indicate the level of state probation funding, other state funding, county funding and probation surcharge funding for those positions.

2. Total receipts and expenditures by county and fund source for the adult standard, adult intensive, juvenile standard and juvenile intensive line items, including the amount of personal services expended from each revenue source of each account.

3. The amount of monies from the adult standard, adult intensive, juvenile standard and juvenile intensive line items that the office does not distribute as direct aid to counties. The report shall delineate how the office expends these monies that are not distributed as direct aid to counties.

Total appropriation - Arizona judiciary	$164,394,800
Fund sources:	
State general fund	$125,772,700
Confidential intermediary and fiduciary fund	470,600
Court appointed special advocate fund	3,443,500
Criminal justice enhancement fund	10,094,600
Defensive driving school fund	5,395,100
Drug treatment and education fund	500,000
Judicial collection enhancement fund	14,773,600
State aid to the courts fund	3,944,700

The administrative office of the courts shall submit the intended use of any reimbursement monies received for review to the joint legislative budget committee prior to their expenditure.

Sec. 54. DEPARTMENT OF JUVENILE CORRECTIONS

	2007-08
FTE positions	1,163.7
Lump sum appropriation	$ 82,407,700
Fund sources:	
State general fund	$ 77,945,300
State charitable, penal and reformatory institutions land fund	1,094,700
Criminal justice enhancement fund	685,200
State education fund for committed youth	2,682,500
Performance measures:	
Escapes from DJC secure care facilities	0
Per cent of juveniles passing the GED language test	89
Per cent of juveniles who show progress in their primary treatment problem area	75
Per cent of juveniles returned to custody within 12 months of release	20

The department shall provide a travel stipend to all southwest regional juvenile correction complex staff whose residence is at least twenty miles from work.

Twenty-five per cent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the department of juvenile corrections, in compliance with the enabling act and the Constitution of Arizona, to be used for the support of state juvenile institutions and reformatories.

Before the expenditure of any state education fund for committed youth receipts in excess of $2,682,500, the department of juvenile corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

Sec. 55. STATE LAND DEPARTMENT

	2007-08	2008-09
FTE positions	230.9	232.9
Operating lump sum appropriation	$ 17,121,700	$ 17,208,600
Natural resource conservation districts	650,000	650,000
Environmental county grants	250,000	250,000
CAP user fees	1,268,600	1,488,300
Inmate fire crews	974,300	974,300
Fire suppression operating expenses	2,653,900	2,566,600
Due diligence fund	500,000	500,000
Total appropriation - state land department	$ 23,418,500	$ 23,637,800

Fund sources:		
State general fund	$ 22,698,500	$ 22,917,800
Environmental special plate fund	220,000	220,000
Due diligence fund	500,000	500,000
Performance measures:		
Average land sales processing time (application to auction, in months)	20	20
Per cent of customers giving the department a rating above 4 (5 = very satisfied)	87	87
Total trust generated	$486,200,000	$486,200,000
Total expendable fund earnings generated	$127,800,000	$127,800,000
Total trust land sales	$500,000,000	$500,000,000
Total number of trust land acres sold in Maricopa, Pima and Pinal counties	3,000	3,000
Total number of trust land acres sold in all other remaining counties	1,000	1,000

The appropriation includes $1,268,600 for central Arizona project user fees in fiscal year 2007-2008 and $1,488,300 in fiscal year 2008-2009. For fiscal year 2007-2008 and fiscal year 2008-2009, from municipalities that assume their allocation of central Arizona project water every dollar received as reimbursement to the state for past central Arizona water conservation district payments, one dollar reverts to the state general fund in the year that the reimbursement is collected.

Of the amount appropriated for natural resource conservation districts in fiscal year 2007-2008 and fiscal year 2008-2009, $30,000 shall be used to provide grants to natural resource conservation districts environmental education centers.

Of the operating lump sum appropriation, the sum of $3,819,300 supplements planning and disposition funding and shall be used by the state land department for the sole purpose of the planning and disposition of state trust land as follows:

1. The employment of outside professional services.

2. At least two of the twelve FTE positions appropriated in the fiscal year 2005-2006 budget for the planning and disposition of state trust land located within five miles of the corporate boundaries of incorporated cities and towns having a population of less than one hundred thousand persons.

3. The state land commissioner shall provide for the disposition of state trust land in the most expeditious manner consistent with the fiduciary duties prescribed by the enabling act and the Constitution of Arizona. By October 1, 2007, the commissioner shall provide a report to the joint legislative budget committee on the planning, sale and lease of trust land in the preceding year. The report shall:

(a) Identify the number of acres that were added to a conceptual plan, added to a master plan or otherwise planned or prepared for disposition, sale and long-term commercial lease.

(b) Distinguish between urban and rural parcels.

(c) Indicate the value added or revenue received.

(d) List the resources used and dedicated to trust land planning and disposition, including FTE positions, contracts and appropriated and nonappropriated expenditures for each of the items included in the report.

(e) Include in the report an inventory of trust land prepared for sale, including the appraised value and totals for the fiscal year regarding:

(i) The amount of trust land sold.

(ii) The amount of trust land put under long-term commercial lease.

(iii) The amount of revenue collected from the sale of trust land.

(iv) The amount of revenue collected from the long-term commercial lease of trust land.

(v) The amount of purchase price financed on installment sales of state trust land and the principal payoff terms and anticipated yield to the trust over the terms of the installment sales.

Of the $775,000 appropriated for state trust land sales and management in fiscal year 2007-2008 and fiscal year 2008-2009, at least ten per cent shall be used for management and sales of state trust lands in rural areas.

By December 31, 2007, the state land department shall submit a report to the joint legislative budget committee detailing the activities of the two FTE positions appropriated for mineral leasing. In the report the department shall include information regarding the number of lease applications submitted, the average number of days to process a lease application, the number of outstanding lease applications, the dates that outstanding lease applications were initially submitted to the department and the revenue generated from mineral leases.

Sec. 56. LAW ENFORCEMENT MERIT SYSTEM COUNCIL

	2007-08	2008-09
FTE positions	1.0	1.0
Lump sum appropriation	$ 74,200	$ 74,200
Fund sources:		
State general fund	$ 74,200	$ 74,200

Sec. 57. LEGISLATURE

	2007-08	2008-09
Senate		
Lump sum appropriation	$ 9,193,000*	$ 9,193,000*
Fund sources:		
State general fund	$ 9,193,000	$ 9,193,000

Included in the lump sum appropriations of $9,193,000 for fiscal year 2007-2008 and fiscal year 2008-2009 is $1,000 each fiscal year for the purchase of mementos and items for visiting officials.

House of representatives		
Lump sum appropriation	$ 13,854,800*	$13,854,800*
Fund sources:		
State general fund	$ 13,854,800	$ 13,854,800

Included in the lump sum appropriations of $13,854,800 for fiscal year 2007-2008 and fiscal year 2008-2009 is $1,000 each fiscal year for the purchase of mementos and items for visiting officials.

Legislative council		
FTE positions	49.8	49.8
Operating lump sum appropriation	$ 4,983,100*	$ 4,983,100*
Ombudsman-citizens aide office	593,000*	593,000*
Total appropriation - legislative council	$ 5,576,100*	$ 5,576,100*
Fund sources:		
State general fund	$ 5,576,100	$ 5,576,100
Performance measures:		
Per cent of customers rating accuracy and timeliness of bill drafting "good" or "excellent" based on annual survey	98.5	98.5
Per cent of customers rating accuracy of computer help desk "good" or "excellent" based on annual survey	100	100
Per cent of investigations completed within three months by office of the ombudsman-citizens aide	90	90
Per cent of customers rating overall experience with the office of the ombudsman-citizens aide "good" or "excellent"	92	92
Joint legislative budget committee		
FTE positions	35.0	35.0
Lump sum appropriation	$ 2,948,600*	$ 2,948,600*
Fund sources:		
State general fund	$ 2,948,600	$ 2,948,600
Performance measures:		
Survey of legislator satisfaction (4=high)	3.68	3.68
Errors in budget bills	0	0
Maximum per cent actual revenues vary from forecasted revenues	+-3.0	+-3.0
Days to transmit fiscal notes	14	14

Auditor general		
FTE positions	209.4	209.4
Operating lump sum appropriation	$ 17,891,900	$ 17,891,900
Procurement study	300,000	0
Total appropriation - auditor general	$ 18,191,900*	$17,891,900*
Fund sources:		
State general fund	$ 18,191,900	$ 17,891,900
Performance measures:		
Per cent of single audit recommendations implemented or adopted within one year for financial audits	47	47
Per cent of administrative recommendations implemented or adopted within two years for performance audits	98	98
Arizona state library, archives and public records		
FTE positions	115.8	115.8
Operating lump sum appropriation	$ 7,450,400	$ 7,450,400
Grants-in-aid	651,400	651,400
Statewide radio reading service for the blind	97,000	97,000
Total appropriation - Arizona state library, archives and public records	$ 8,198,800*	$ 8,198,800*
Fund sources:		
State general fund	$ 7,536,300	$ 7,536,300
Records services fund	662,500	662,500
Performance measures:		
Customer satisfaction rating (Scale 1-8)	7.4	7.4

All records services fund receipts, including prior year fund balances, received by the Arizona state library, archives and public records in excess of $662,500 in fiscal year 2007-2008 and fiscal year 2008-2009 are appropriated to the Arizona state library, archives and public records. Before the expenditure of records services fund receipts in excess of $662,500 in fiscal year 2007-2008 and fiscal year 2008-2009, the Arizona state library, archives and public records shall submit the intended use of the monies for review by the joint legislative budget committee.

Sec. 58. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

	2007-08	2008-09
FTE positions	47.2	47.2
Lump sum appropriation	$ 3,534,100	$ 3,534,100
Fund sources:		
State general fund	$ 3,534,100	$ 3,534,100

Performance measures:		
Investigations and routine liquor inspections completed	3,750	3,750
Average calendar days to complete an investigation	33	33
Per cent of customers who responded to the survey reporting "very good" or "excellent" service	86	86

Sec. 59. ARIZONA STATE LOTTERY COMMISSION

	2007-08	2008-09
FTE positions	110.0	110.0
Operating lump sum appropriation	$ 8,034,700	$ 7,838,100
Sales incentive program	50,000	50,000
Telecommunications	654,400	654,400
Total appropriation - Arizona state lottery commission	$ 8,739,100	$ 8,542,500
Fund source:		
State lottery fund	$ 8,739,100	$ 8,542,500
Performance measures:		
Increase in on-line sales from prior year	$ 5,339,600	$ 5,181,100
Increase in instant ticket sales from prior year	$ 4,484,400	$ 2,242,200
Customer satisfaction rating for retailers (Scale 1-8)	7.5	7.5

An amount equal to 3.6 per cent of actual instant ticket sales is appropriated for the printing of instant tickets or for contractual obligations concerning instant ticket distribution. This amount is currently estimated to be $9,565,000 in fiscal year 2007-2008 and $9,645,700 in 2008-2009.

An amount equal to a percentage of actual on-line game sales as determined by contract is appropriated for payment of on-line vendor fees. This amount is currently estimated to be $8,072,200 in fiscal year 2007-2008 and $8,269,100 in fiscal year 2008-2009, or 3.8012 per cent of actual on-line ticket sales.

An amount equal to 2.7 per cent of gross lottery game sales, but no more than $11,000,000, is appropriated for advertising in accordance with section 5-505, Arizona Revised Statutes, which states that not more than four per cent of the annual gross revenues shall be expended for advertising. Based on projected sales, this amount is currently estimated to reach the $11,000,000 cap in fiscal year 2007-2008 and fiscal year 2008-2009.

An amount equal to 6.5 per cent of gross lottery game sales is appropriated for payment of sales commissions to ticket retailers. In accordance with Laws 1997, chapter 214, an additional amount of not to exceed 0.5 per cent of gross lottery game sales is appropriated for payment of sales commissions to ticket retailers. The combined amount is currently estimated to be 6.7 per cent of total ticket sales, or $32,029,500 in fiscal year 2007-2008 and $32,526,900 in fiscal year 2008-2009.

Sec. 60. ARIZONA MEDICAL BOARD

	2007-08	2008-09
FTE positions	58.5	58.5
Lump sum appropriation	$ 5,567,700**	$ 5,567,700
Fund sources:		
Arizona medical board fund	$ 5,567,700	$ 5,567,700
Performance measures:		
Average calendar days to resolve a complaint		
M.D.	180	180
P.A.	180	180
Per cent of open investigations greater than Six months old		
M.D.	35	35
P.A.	40	40
Customer satisfaction rating (Scale 1-8)	7.7	7.7

The Arizona medical board may use up to seven per cent of the Arizona medical board fund balance remaining at the end of each fiscal year for a performance based incentive program the following fiscal year based on the program established by section 38-618, Arizona Revised Statutes.

Sec. 61. BOARD OF MEDICAL STUDENT LOANS

	2007-08	2008-09
Medical student financial assistance	$ 1,809,800	$ 1,809,800
Fund sources:		
State general fund	$ 1,500,000	$ 1,500,000
Medical student loan fund	309,800	309,800
Performance measures:		
Per cent of physicians meeting service requirement	93	93
Customer satisfaction rating (Scale 1-8)	7.5	7.5

Sec. 62. STATE MINE INSPECTOR

	2007-08
FTE positions	17.0
Lump sum appropriation	$ 1,828,400
Fund sources:	
State general fund	$ 1,828,400

Performance measures:		
Per cent of mandated inspections completed	70	
Number of inspections	600	
Customer satisfaction rating for mines (Scale 1-8)	7.5	

Sec. 63. DEPARTMENT OF MINES AND MINERAL RESOURCES

	2007-08	2008-09
FTE positions	7.0	7.0
Lump sum appropriation	$ 839,900	$ 839,900
Fund sources:		
State general fund	$ 839,900	$ 839,900
Performance measures:		
Number of paying visitors	5,500	5,500
Customer satisfaction rating (Scale 1-5)	4.9	4.9

Sec. 64. NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS

	2007-08	2008-09
FTE positions	7.0	7.0
Lump sum appropriation	$ 586,600**	$ 584,000
Fund sources:		
Naturopathic physicians board of medical examiners fund	$ 586,600	$ 584,000
Performance measures:		
Average calendar days to resolve a complaint	57	57
Average calendar days to renew a license	23	23
Customer satisfaction rating (Scale 1-8)	7.3	7.3

Sec. 65. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

	2007-08
FTE positions	2.0
Lump sum appropriation	$ 173,600
Fund sources:	
State general fund	$ 173,600
Performance measures:	
Per cent of Arizona rivers and streams adjudicated	100
Customer satisfaction rating for hearing attendees (Scale 1-8)	7.5

Sec. 66. ARIZONA STATE BOARD OF NURSING

	2007-08	2008-09
FTE positions	41.2	41.2
Operating lump sum appropriation	$ 3,674,100**	$ 3,461,500
CNA fingerprinting	166,000	166,000
Total appropriation - Arizona state board of nursing	$ 3,840,100	$ 3,627,500

Fund sources:		
State general fund	$ 166,000	$ 166,000
Board of nursing fund	3,674,100	3,461,500
Performance measures:		
Average calendar days to resolve a complaint	175	175
Average calendar days to renew a license	3	3
Customer satisfaction rating (Scale 1-8)	7.2	7.2

Sec. 67. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

	2007-08	2008-09
FTE positions	5.0	5.0
Lump sum appropriation	$ 358,700**	$ 358,700
Fund sources:		
Nursing care institution administrators' licensing and assisted living facility managers' certification fund	$ 358,700	$ 358,700
Performance measures:		
Average calendar days to resolve a complaint	65	65
Average calendar days to renew a license	15	15
Customer satisfaction rating (Scale 1-8)	6.0	6.0

Sec. 68. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

	2007-08	2008-09
FTE positions	3.0	3.0
Lump sum appropriation	$ 239,900**	$ 239,900
Fund sources:		
Occupational therapy fund	$ 239,900	$ 239,900
Performance measures:		
Average calendar days to resolve a complaint	100	100
Average calendar days to renew a license (from receipt of application to issuance)	30	30
Customer satisfaction rating (Scale 1-8)	7.2	7.2

Sec. 69. STATE BOARD OF DISPENSING OPTICIANS

	2007-08	2008-09
FTE positions	1.0	1.0
Lump sum appropriation	$ 122,100**	$ 120,100
Fund sources:		
Board of dispensing opticians fund	$ 122,100	$ 120,100
Performance measures:		
Average calendar days to resolve a complaint	76	76
Average calendar days to renew a license	3	3
Customer satisfaction rating (Scale 1-8)	6.0	6.0

Sec. 70. STATE BOARD OF OPTOMETRY

	2007-08	2008-09
FTE positions	2.0	2.0
Lump sum appropriation	$ 194,400**	$ 194,400
Fund sources:		
Board of optometry fund	$ 194,400	$ 194,400
Performance measures:		
Average calendar days to resolve a complaint	100	100
Average calendar days to renew a license	2	2
Customer satisfaction rating (Scale 1-8)	7.4	7.4

Sec. 71. OSTEOPATHIC EXAMINERS BOARD IN MEDICINE AND SURGERY

	2007-08	2008-09
FTE positions	6.7	6.7
Lump sum appropriation	$ 660,600**	$ 660,600
Fund sources:		
Board of osteopathic examiners fund	$ 660,600	$ 660,600
Performance measures:		
Average calendar days to resolve a complaint	315	315
Average calendar days to renew a license	5	5
Average calendar days to process license	65	65
Customer satisfaction rating (Scale 1-8)	6.0	6.0

Sec. 72. STATE PARKS BOARD

	2007-08	2008-09
FTE positions	249.3	249.3
Operating lump sum appropriation	$ 14,222,300	$ 14,222,300
Arizona trail	125,000	125,000
Kartchner caverns state park	2,535,800	2,535,800
Total appropriation - Arizona state parks board	$ 16,883,100	$ 16,883,100
Fund sources:		
State general fund	$ 7,900,000	$ 8,400,000
State parks enhancement fund	7,368,300	6,868,300
Law enforcement and boating safety fund	1,092,700	1,092,700
Reservation surcharge revolving fund	522,100	522,100
Performance measures:		
Annual park attendance	2,500,000	2,500,000
Per cent of park visitors rating their experience "good" or "excellent"	95	95

The appropriation for law enforcement and boating safety fund projects is an estimate representing all monies distributed to this fund, including balance forward, revenue and transfers during fiscal year 2007-2008 and fiscal year 2008-2009. These monies are appropriated to the Arizona state parks board for the purposes established in section 5-383, Arizona Revised Statutes. The appropriation shall be adjusted as necessary to reflect actual final receipts credited to the law enforcement and boating safety fund.

All other operating expenditures include $26,000 from the state parks enhancement fund for Fool Hollow state park revenue sharing. If receipts to Fool Hollow exceed $260,000 in fiscal year 2007-2008 and fiscal year 2008-2009, an additional ten per cent of this increase of Fool Hollow receipts is appropriated from the state parks enhancement fund to meet the revenue sharing agreement with the city of Show Low and the United States forest service.

All reservation surcharge revolving fund receipts received by the Arizona state parks board in excess of $522,100 in fiscal year 2007-2008 and fiscal year 2008-2009 are appropriated to the reservation surcharge revolving fund. Before the expenditure of any reservation surcharge revolving fund monies in excess of $522,100 in fiscal year 2007-2008 and fiscal year 2008-2009, the Arizona state parks board shall submit the intended use of the monies for review by the joint legislative budget committee.

During fiscal year 2007-2008 and fiscal year 2008-2009, no more than $5,000 each year from appropriated or nonappropriated monies may be used for the purposes of out-of-state travel expenses by state parks board staff. No appropriated or nonappropriated monies may be used for out-of-country travel expenses. The state parks board shall submit by June 30, 2008 and June 30, 2009, a report to the joint legislative budget committee on out-of-state travel activities and expenditures for that fiscal year.

Sec. 73. PERSONNEL BOARD

	2007-08	2008-09
FTE positions	3.0	3.0
Lump sum appropriation	$ 357,900	$ 357,900
Fund sources:		
State general fund	$ 357,900	$ 357,900
Performance measures:		
Average number of calendar days from receipt of appeal/complaint to final	120	120
Per cent of customers rating service as "good" or "excellent"	92	92

Sec. 74. PHARMACY BOARD

	2007-08	2008-09
FTE positions	18.0	18.0
Lump sum appropriation	$ 2,455,300**	$ 1,846,500
Fund sources:		
Arizona state board of pharmacy fund	$ 2,455,300	$ 1,846,500
Performance measures:		
Average calendar days to resolve a complaint	55	55
Customer satisfaction rating (Scale 1-8)	7.8	7.8

Sec. 75. BOARD OF PHYSICAL THERAPY EXAMINERS

	2007-08	2008-09
FTE positions	3.8	3.8
Lump sum appropriation	$ 379,800**	$ 349,600
Fund sources:		
Board of physical therapy fund	$ 379,800	$ 349,600
Performance measures:		
Average calendar days to resolve a complaint	150	150
Average calendar days to renew a license	15	15
Customer satisfaction rating (Scale 1-8)	7.0	7.0

Sec. 76. ARIZONA PIONEERS' HOME

	2007-08	2008-09
FTE positions	115.8	115.8
Personal services	$ 3,669,000	$ 3,747,800
Employee-related expenditures	1,466,800	1,484,200
All other operating expenditures	955,800	955,800
Prescription drugs	250,000	258,000
Total appropriation - pioneers' home	$ 6,341,600	$ 6,445,800
Fund sources:		
State general fund	$ 1,236,000	$ 1,236,000
Miners' hospital fund	1,685,600	1,685,600
State charitable fund	3,420,000	3,524,200
Performance measures:		
Per cent of residents rating services as "good" or "excellent"	98	98

Earnings on state lands and interest on the investment of the permanent land funds are appropriated for the pioneers' home and the hospital for disabled miners in compliance with the enabling act and the Constitution of Arizona.

The pioneers' home shall not exceed its expenditure authority for monies appropriated from the miners' hospital for disabled miners land fund.

Sec. 77. STATE BOARD OF PODIATRY EXAMINERS

	2007-08	2008-09
FTE positions	1.0	1.0
Lump sum appropriation	$ 138,700**	$ 138,800
Fund sources:		
Podiatry fund	$ 138,700	$ 138,800
Performance measures:		
Average calendar days to resolve a complaint	90	90
Average days to process an application for licensure	3.0	3.0
Customer satisfaction rating (Scale 1-8)	6.0	6.0

Sec. 78. COMMISSION FOR POSTSECONDARY EDUCATION

	2007-08	2008-09
FTE positions	10.0	10.0
Operating lump sum appropriation	$ 395,700	$ 395,700
Leveraging educational assistance partnership (LEAP)	3,364,500	3,364,500
Postsecondary education grant program	5,300,000	5,300,000
Private postsecondary education student financial assistance program	800,000	800,000
Family college savings program	150,000	150,000
Arizona college and career guide	21,200	21,200
Arizona minority educational policy analysis center	100,000	100,000
Twelve plus partnership	130,500	130,500
Case managers	100,000	100,000
Total appropriation - commission for postsecondary education	$ 10,361,900	$ 10,361,900
Fund sources:		
State general fund	$ 7,420,800	$ 7,420,800
Postsecondary education fund	2,941,100	2,941,100
Performance measures:		
LEAP student grants awarded	4,000	4,000
Per cent of customers rating commission services as "good" or "excellent"	95	95

The appropriation for leveraging educational assistance partnership is provided to create grants under the Arizona state student incentive grant program administered by the commission for postsecondary education. Grants may be made according to the provisions of applicable federal and state laws and regulations relating to this program. Only Arizona residents who demonstrate financial need and who are attending, on at least a half-time basis, an approved program at a properly accredited Arizona postsecondary educational institution are eligible for the program.

Each participating institution, public or private, in order to be eligible to receive state matching funds under the state student incentive grant program for grants to students, shall provide an amount of institutional matching funds that equals the amount of funds provided by the state to the institution for the state student incentive grant program. Administrative expenses incurred by the commission for postsecondary education shall be paid from institutional matching funds and shall not exceed twelve per cent of the funds in fiscal year 2007-2008 and fiscal year 2008-2009.

Any unencumbered balance remaining in the postsecondary education fund on June 30, 2007 for fiscal year 2007-2008, and June 30, 2008 for fiscal year 2008-2009, and all grant monies and other revenues received by the commission for postsecondary education, when paid into the state treasury, are appropriated for the explicit purposes designated by line items and for additional responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised Statutes.

The appropriations for Arizona college and career guide, Arizona minority educational policy analysis center and twelve plus partnership are estimates representing all monies distributed to this fund, including balance forward, revenue and transfers, during fiscal year 2007-2008 and fiscal year 2008-2009. The appropriations shall be adjusted as necessary to reflect actual final receipts credited to the postsecondary education fund.

Of the total amount appropriated for the private postsecondary education student financial assistance program, no more than ten per cent may be used for program administrative costs.

The commission for postsecondary education shall not transfer funds out of the private postsecondary education student financial assistance program or the postsecondary education grant program line items.

Of the $5,300,000 appropriated for the postsecondary education grant program, up to $500,000 may be allocated for the administration of the program in fiscal year 2007-2008 and fiscal year 2008-2009.

The appropriation for case managers is for two additional FTE positions or for equivalent contracted positions for potential students, applicants and enrolled students who are or were eligible for services as prescribed in section 8-521 or 8-521.01, Arizona Revised Statutes, and who are under twenty-six years of age.

Sec. 79. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

		2007-08		2008-09
FTE positions		4.0		4.0
Lump sum appropriation	$	318,400**	$	318,400
Fund sources:				
Board for private postsecondary education fund	$	318,400	$	318,400

Performance measures:		
Average number of days to pay student tuition recovery fund claims	90	90
Average days to process student record requests	10	10
Customer satisfaction rating (Scale 1-8)	7.8	7.8

Sec. 80. STATE BOARD OF PSYCHOLOGIST EXAMINERS

	2007-08	2008-09
FTE positions	4.0	4.0
Lump sum appropriation	$ 374,300**	$ 381,900
Fund sources:		
Board of psychologist examiners fund	$ 374,300	$ 381,900
Performance measures:		
Average calendar days to resolve a complaint	86	86
Average days to process an application for licensure	38	38
Customer satisfaction rating (Scale 1-8)	7.2	7.2

Sec. 81. DEPARTMENT OF PUBLIC SAFETY

	2007-08
FTE positions	2,108.8
Operating lump sum appropriation	$189,663,700
GIITEM	28,916,600
Highway patrol safety equipment	3,000,000
Motor vehicle fuel	3,935,500
Statewide interoperability design	1,329,400
Sworn officer salary adjustments	2,672,900
Total appropriation - department of public safety	$229,518,100
Fund sources:	
State general fund	$168,008,300
Highway user revenue fund	10,000,000
State highway fund	10,000,000
Arizona highway patrol fund	20,425,900
Criminal justice enhancement fund	3,188,300
Safety enforcement and transportation infrastructure fund	1,481,000
Crime laboratory assessment fund	5,721,400
Arizona deoxyribonucleic acid identification system fund	3,670,200
Automated fingerprint identification system fund	3,285,800
Motorcycle safety fund	205,000
Risk management fund	296,200
Parity compensation fund	3,236,000

1 Performance measures:
2 Per cent of scientific analysis cases over
3 30 calendar days old 6.0
4 Per cent of system reliability of the Arizona
5 automated fingerprint identification network 98
6 Clandestine labs dismantled 70
7 Of the $28,916,600 appropriated to GIITEM, $10,000,000 is to be used
8 for the multijurisdictional task force known as the gang and immigration
9 intelligence team enforcement mission (GIITEM). If the department of public
10 safety uses any of the monies appropriated for GIITEM for an agreement or
11 contract with a city, town, county or other entity to provide services for
12 the GIITEM program, the city, town, county or other entity shall provide not
13 less than fifteen per cent of the cost of the services and the department of
14 public safety shall provide not more than eighty-five per cent of the cost
15 for each agreement or contract. The distribution of these monies are
16 contingent upon the department of public safety entering into a 287
17 memorandum of understanding with the United States department of homeland
18 security. The $10,000,000 is to be used for functions relating to
19 immigration enforcement, including border security and border personnel. As
20 state and local law enforcement officers trained pursuant to a 287 memorandum
21 of understanding come into contact with gang or suspected gang members and
22 there is reason to believe that the individual has entered or remained in the
23 United States illegally, the use of these monies is contingent upon law
24 enforcement agencies verifying the immigration status of these individuals and
25 taking appropriate action that will not jeopardize an ongoing investigation or
26 damage an informant relationship with a law enforcement agency. The
27 $10,000,000 is exempt from the provisions of section 35-190, Arizona Revised
28 Statutes, relating to the lapsing of appropriations, except that all
29 unexpended and unencumbered monies shall revert on June 30, 2009. The
30 department shall submit an expenditure plan to the joint legislative budget
31 committee for review prior to expending any monies not identified in the
32 department's previous expenditure plans. Within thirty days after the last
33 day of each calendar quarter, the department shall provide a summary of
34 quarterly and year-to-date expenditures and progress to the joint legislative
35 budget committee.
36 Of the $28,916,600 appropriated to GIITEM, $9,500,000 is to be used for
37 one hundred department of public safety GIITEM personnel located anywhere
38 within the state. The additional staff shall include at least fifty sworn
39 DPS positions to be used for immigration enforcement and border security and
40 up to fifty DPS positions to expand GIITEM's public awareness, investigation,
41 and intelligence efforts. The additional positions would assist GIITEM in
42 various efforts including, but not limited to: 1) arresting illegal aliens,
43 2) responding to and investigating complaints of employers hiring illegal
44 aliens, 3) investigating crimes of identity theft in the context of hiring
45 illegal aliens and the unlawful entry into the country, and 4) taking

enforcement action, as permitted under federal law and article VI of the U.S. Constitution. As state and local law enforcement officers trained pursuant to a 287 memorandum of understanding come into contact with gang or suspected gang members and there is reason to believe that the individual has entered or remained in the United States illegally, the use of these monies is contingent upon law enforcement agencies verifying the immigration status of these individuals and taking appropriate action that will not jeopardize an ongoing investigation or damage an informant relationship with a law enforcement agency. The department shall submit an expenditure plan to the joint legislative budget committee for review prior to expending any monies not identified in the department's previous expenditure plans. Within thirty days after the last day of each calendar quarter, the department shall provide a summary of quarterly and year-to-date expenditures and progress to the joint legislative budget committee.

The department of public safety shall report quarterly to the joint legislative budget committee on sworn personnel staffing levels. The report shall identify the number of filled and appropriated positions by job classification and, if applicable, the program to which the position is assigned.

Of the $2,672,900 for sworn officer salary adjustments, $2,000,000 from the general fund shall be used to provide salary adjustments for the officer I, officer II, and officer III classifications. The distribution of the $672,900 from the parity compensation fund shall be determined by the department. DPS shall provide a report indicating how the monies were allocated to the joint legislative budget committee by September 30, 2007. The report should include a salary comparison, by classification, based on both the five highest paying law enforcement agencies in the state and those that employ in excess of one hundred sworn positions.

Any monies remaining in the department of public safety joint account on June 30, 2008 shall revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated.

It is the intent of the legislature that $709,000 from the anti-racketeering fund in fiscal year 2007-2008 be used for the personal computer replacement program.

It is the intent of the legislature that $668,700 from the anti-racketeering fund in fiscal year 2007-2008 be used for the tri-agency disaster recovery system.

It is the intent of the legislature that $2,200,000 from the anti-racketeering fund in fiscal year 2007-2008 be used for the detailed design of the long-term interoperability solution.

Prior to expending the $2,200,000 increase for detailed design of the statewide interoperability solution, the department shall submit an expenditure plan for review by the joint legislative budget committee.

Sec. 82. ARIZONA DEPARTMENT OF RACING

	2007-08	2008-09
FTE positions	46.5	46.5
Lump sum appropriation	$ 3,264,900	$ 3,264,900
Fund sources:		
State general fund	$ 2,747,900	$ 2,747,900
County fair racing fund	450,000	450,000
Racing administration fund	67,000	67,000
Performance measures:		
Per cent of horse racing customers reporting "very good" or "excellent" service	95	95
Per cent of greyhound racing customers reporting "very good" or "excellent" service	99	99
Per cent of positive horse drug tests	1.2	1.2
Per cent of positive greyhound drug tests	0.02	0.02

The department of racing shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee on an annual basis on boxing related activities. The report shall contain the number of boxing events, gross receipts, state revenues and license fee collections.

Sec. 83. RADIATION REGULATORY AGENCY

	2007-08	2008-09
FTE positions	31.0	32.0
Lump sum appropriation	$ 1,875,800	$ 1,910,100
Fund sources:		
State general fund	$ 1,593,900	$ 1,628,200
State radiologic technologist certification fund	281,900	281,900
Performance measures:		
Per cent of x-ray tubes overdue for inspection	40	40
Radiological incidents (non-Palo Verde related)	9	9
Radiological incidents (Palo Verde)	0	0
Customer satisfaction rating (Scale 1-8)	7.5	7.5

By November 1, 2007 the radiation regulatory agency shall submit a report to the joint legislative budget committee detailing the fee increases that would be necessary to make the agency self-supporting.

Sec. 84. GOVERNOR - ARIZONA RANGERS' PENSIONS

	2007-08	2008-09
Lump sum appropriation	$ 13,400	$ 13,700
Fund sources:		
State general fund	$ 13,400	$ 13,700

Sec. 85. REAL ESTATE DEPARTMENT

	2007-08	2008-09
FTE positions	72.4	74.4
Lump sum appropriation	$ 4,363,000	$ 4,438,500
Fund sources:		
State general fund	$ 4,363,000	$ 4,438,500
Performance measures:		
Average days to issue a public report	60.0	60.0
Average days from receipt to issuance of license reports	9.0	9.0
Per cent of surveys from licensees indicating "good" to "excellent" service	95.0	95.0
Average days from receipt of complaint to resolution	130	130

Sec. 86. RESIDENTIAL UTILITY CONSUMER OFFICE

	2007-08	2008-09
FTE positions	12.0	12.0
Operating lump sum appropriation	$ 1,128,900	$ 1,128,900
Professional witnesses	145,000*	145,000*
Total appropriation - residential utility consumer office	$ 1,273,900	$ 1,273,900
Fund sources:		
Residential utility consumer office revolving fund	$ 1,273,900	$ 1,273,900
Performance measures:		
Per cent variance between utilities' requests for rate increases and the actual ACC authorized rates	(12.5)	(12.5)

Sec. 87. BOARD OF RESPIRATORY CARE EXAMINERS

	2007-08	2008-09
FTE positions	4.0	4.0
Lump sum appropriation	$ 253,500**	$ 251,800
Fund sources:		
Board of respiratory care examiners fund	$ 253,500	$ 251,800
Performance measures:		
Average calendar days to resolve a complaint	85	85
Customer satisfaction rating (Scale 1-8)	6.8	6.8

Sec. 88. STATE RETIREMENT SYSTEM

	2007-08	2008-09
FTE positions	235.0	235.0
Operating lump sum appropriation	$ 19,486,500	$ 20,165,600
Information technology plan	2,747,100	2,747,100
Total appropriation - Arizona state retirement system	$ 22,233,600	$ 22,912,700

Fund sources:		
State retirement system administration account	$ 19,433,600	$ 20,112,700
Long-term disability administration account	2,800,000	2,800,000
Performance measures:		
Per cent of members satisfied with ASRS telephone services	96	96
Per cent of investment returns	8.0	8.0
Per cent of benefit payment calculations that are accurate as measured by quality control sample	99.5	99.5

Before the expenditure of the appropriation of $2,747,100 in fiscal year 2007-2008 and fiscal year 2008-2009 and the hiring of FTE positions appropriated for the agency's information technology plan, the retirement system shall present an expenditure plan for review by the joint legislative budget committee staff. The expenditure plan shall include current year and prior years' appropriations to be spent in the current year and prior year appropriation balances. The agency shall provide annual reports to the joint legislative budget committee staff regarding the expenditures and project tasks completed to date. Actual divestiture of monies from the retirement fund for expenditure shall occur following the joint legislative budget committee staff review of the agency's information technology plan.

The appropriation includes $678,800 in fiscal year 2007-2008 and $1,154,800 in fiscal year 2008-2009 for technology upgrades. These monies shall not be spent and will revert to the Arizona state retirement system account if the information technology authorization committee does not approve the project investment justification for technology upgrades.

Sec. 89. DEPARTMENT OF REVENUE

	2007-08	2008-09
FTE positions	1,164.0	1,164.0
Operating lump sum appropriation	$ 72,297,900	$ 70,656,100
BRITS operational support	2,223,700	2,223,700
Unclaimed property administration	1,629,000	1,608,600
Total appropriation - department of revenue	$ 76,150,600	$ 74,488,400
Fund sources:		
State general fund	$ 73,487,500	$ 71,819,200
Estate and unclaimed property fund	1,629,000	1,608,600
Liability setoff fund	419,600	413,800
Tobacco tax and health care fund	614,500	646,800

Performance measures:		
Average calendar days to refund income tax	12	12
Per cent of written taxpayer inquiries answered within 30 calendar days of receipt	65	65
Customer satisfaction rating for taxpayer information section (Scale 1-5)	4.7	4.7

The department shall provide the department's general fund revenue enforcement goals for fiscal year 2007-2008 for review by the joint legislative budget committee by July 31, 2007, and for fiscal year 2008-2009 by July 31, 2008. The department shall provide an annual progress report to the joint legislative budget committee as to the effectiveness of the department's overall enforcement and collections program for fiscal year 2007-2008 by July 31, 2008 and for fiscal year 2008-2009 by July 31, 2009. The reports shall include a comparison of projected and actual general fund revenue enforcement collections for fiscal year 2007-2008 and fiscal year 2008-2009 respectively.

An amount equal to 12.5 per cent of the dollar value of the properties recovered by unclaimed property contract auditors is appropriated from the estate and unclaimed property fund to pay unclaimed property contract auditor fees in accordance with section 44-313, Arizona Revised Statutes, requiring that administrative expenses be appropriated. This amount is currently estimated at $1,770,000 in fiscal year 2007-2008 and fiscal year 2008-2009.

Sec. 90. SCHOOL FACILITIES BOARD

	2007-08
FTE positions	20.0
Operating lump sum appropriation	$ 1,856,900
New school facilities debt service	71,967,200
New school facilities	370,000,000
Building renewal	86,283,500
Total appropriation - school facilities board	$530,107,600
Fund sources:	
State general fund	$530,107,600
Performance measures:	
Per cent of school districts inspected meeting minimum adequacy standards	100
Per cent of school districts rating the board's services as "good" or "excellent" in an annual survey	90

Sec. 91. DEPARTMENT OF STATE - SECRETARY OF STATE

	2007-08	2008-09
FTE positions	48.3	48.3
Operating lump sum appropriation	$ 2,755,400	$ 2,713,800
Election services	4,361,000	4,361,000
Help America vote act	15,000,000	4,000,000
Total appropriation - secretary of state	$ 22,116,400	$ 11,074,800
Fund sources:		
State general fund	$ 7,021,600	$ 6,980,000
Election systems improvement fund	15,000,000	4,000,000
Professional employer organization fund	94,800	94,800
Performance measures:		
Per cent of documents returned to public filer in 48 hours (business services division)	70	70
Per cent of election law complaints reviewed and acted on within 7 days	100	100

The secretary of state shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting by December 31, 2007 the actual amount and purpose of expenditures from the election systems improvement fund in fiscal year 2006-2007 and the expected amount and purpose of expenditures from the fund for fiscal years 2007-2008 and 2008-2009.

Any transfer to or from the amount appropriated for the election services line item shall require review by the joint legislative budget committee.

The fiscal year 2007-2008 appropriation from the election systems improvement fund for HAVA is available for use pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2009.

Sec. 92. STATE BOARDS' OFFICE

	2007-08	2008-09
FTE positions	3.0	3.0
Lump sum appropriation	$ 260,000**	$ 260,000
Fund sources:		
Special services revolving fund	$ 260,000	$ 260,000
Performance measures:		
Overall customer satisfaction rating (Scale 1-8)	7.1	7.1

1 Sec. 93. STRUCTURAL PEST CONTROL COMMISSION

	2007-08	2008-09
FTE positions	40.0	41.0
Lump sum appropriation	$ 2,770,200**	$ 2,668,900
Fund sources:		
Structural pest control commission fund	$ 2,770,200	$ 2,668,900
Performance measures:		
Average calendar days to resolve a complaint	240	240
Average calendar days to renew a license	20	20
Customer satisfaction rating (Scale 1-8)	6.8	6.8

Sec. 94. STATE BOARD OF TAX APPEALS

	2007-08	2008-09
FTE positions	4.0	4.0
Lump sum appropriation	$ 305,200	$ 305,200
Fund sources:		
State general fund	$ 305,200	$ 305,200
Performance measures:		
Months to process appeal	4.5	4.5
Per cent of rulings upheld in tax courts	90	90
Customer satisfaction rating (Scale 1-8)	7.0	7.0

Sec. 95. BOARD OF TECHNICAL REGISTRATION

	2007-08	2008-09
FTE positions	23.0	23.0
Lump sum appropriation	$ 1,712,400**	$ 1,700,200
Fund sources:		
Technical registration fund	$ 1,712,400	$ 1,700,200
Performance measures:		
Average calendar days to resolve a complaint	285	285
Average calendar days to process an initial application	85	85
Customer satisfaction rating (Scale 1-8)	7.5	7.5

Sec. 96. DEPARTMENT OF TRANSPORTATION

	2007-08
Administration	
FTE positions	412.0
Operating lump sum appropriation	$ 41,141,100
Attorney general legal services	2,737,700
Total appropriation - administration	$ 43,878,800
Fund sources:	
State highway fund	$ 43,878,800

Highways	
FTE positions	2,548.0
Operating lump sum appropriation	$133,825,100
Highway maintenance	126,991,600
Vehicles and heavy equipment	37,534,200
Vehicles and heavy equipment fuel surcharge	2,000,000
Total - highways	$300,350,900
Fund sources:	
State general fund	$ 82,900
Safety enforcement and transportation infrastructure fund	558,700
State highway fund	261,175,100
Transportation department equipment fund	38,534,200
Performance measures:	
Per cent of Maricopa regional freeway miles completed for the original twenty-year half cent sales tax ending December 31, 2005	100
Per cent of Maricopa regional freeway travel lane miles completed for the twenty-year half cent sales tax extension effective January 1, 2006	0.7
Per cent of overall highway construction projects completed on schedule	97

Of the total amount appropriated for the highways program, $126,991,600 in fiscal year 2007-2008 for highway maintenance is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to their fund of origin, either the state highway fund or the safety enforcement and transportation infrastructure fund, on August 31, 2008.

Of the total amount appropriated for the highways program, $2,663,000 in fiscal year 2007-2008 is for performance pay for participants in the department's engineer pay plan. The department shall establish performance measures with measurable quality and quantity objectives for participants in the engineer pay plan that are designed to result in increased productivity and improved quality of the delivery of state services or products. The department shall either apply these performance measures to the entire engineer pay plan or apply relevant performance measures to subsets within the engineering pay plan either on a group or individual basis. Every quarter or month, the department shall review the participants' performance to determine if the performance measures were met. If the performance

measures are met or exceeded, the applicable participants are entitled to receive the performance pay for the corresponding quarter.

Motor vehicle

FTE positions	1,751.0
Operating lump sum appropriation	$104,995,400
Abandoned vehicle administration	999,000
Fraud investigation	993,400
New third party funding	733,700
Total appropriation - motor vehicle	$107,721,500
Fund sources:	
Air quality fund	$ 68,600
Driving under the influence abatement fund	136,900
Highway user revenue fund	607,400
Motor vehicle liability insurance enforcement fund	2,383,900
Safety enforcement and transportation infrastructure fund	1,584,800
State highway fund	101,179,600
Vehicle inspection and title enforcement fund	1,760,300

Performance measures:

Average office wait time from arriving at MVD office to receiving numbered ticket (minutes)	2.0
Average office wait time from receiving numbered ticket to arriving at counter (minutes)	15.0
Per cent of office customers rating services "good" or "excellent"	83
Average telephone wait time to speak to an MVD employee (minutes)	15.2
Per cent of alternative vehicle registration renewal methods (mail, internet, third party)	80

The department shall submit semiannual progress reports for review by the joint legislative budget committee of the progress in increasing third party transactions, the status of motor vehicle division third party staffing, workload and quality assurance backlog. The semiannual progress report shall also include the number of existing third parties and the number of entities on any third party waiting lists. The semiannual report shall address title and registration, vehicle identification number inspection, commercial driver license examination, noncommercial driver license examination, commercial driver training school, noncommercial driver training

school and traffic survival school. The reports are due by January 30, 2008 and July 30, 2008.

The department shall not transfer any funds to or from the motor vehicle division without the review by the joint legislative budget committee.

The department of transportation shall submit quarterly progress reports to the joint legislative budget committee on their progress in improving motor vehicle division wait times and vehicle registration renewal by mail turnaround times. The reports shall document the monthly averages for the total time customers spent at the office and the reasons for changes in these times for each motor vehicle division field office equipped with electronic customer monitoring devices. The reports shall document the wait time to get a numbered ticket from a motor vehicle division employee, the time between receiving the numbered ticket and arriving at the counter and the transaction time at the counter. The reports shall document the number of customers who arrived at motor vehicle division offices but who did not complete their transaction, and the motor vehicle division's average turnaround time for vehicle registration renewal by mail. The reports shall include details by office for all offices in the metropolitan areas which are defined to include all of Maricopa county, Apache Junction, Tucson and Flagstaff, and summarized for the nonmetropolitan areas. In addition to documenting wait times, the reports shall document the number of primary transactions (driver licenses, titles and vehicle registrations) and secondary transactions (all others), the number of counter positions assigned and filled and the productivity levels (the average number of primary transactions completed by staff and the average number of secondary transactions completed by staff). The reports shall document the number of primary and secondary transactions completed by third parties by metropolitan and nonmetropolitan area offices. The reports are due within thirty days after the end of each calendar quarter.

Aeronautics	
FTE positions	33.0
Lump sum appropriation	$ 2,567,600
Fund sources:	
State aviation fund	$ 2,567,600
Performance measures:	
Per cent of airport development projects completed on schedule	100
Total appropriation - Arizona department of transportation	$454,518,800

Fund sources:	
State general fund	$ 82,900
Air quality fund	68,600
Driving under the influence abatement fund	136,900
Highway user revenue fund	607,400
Motor vehicle liability insurance enforcement fund	2,383,900
Safety enforcement and transportation infrastructure fund	2,143,500
State aviation fund	2,567,600
State highway fund	406,233,500
Transportation department equipment fund	38,534,200
Vehicle inspection and title enforcement fund	1,760,300

Of the $454,518,800 appropriation to the department of transportation, the department of transportation shall pay $16,773,800 in fiscal year 2007-2008 from all funds to the department of administration for its risk management payment.

Sec. 97. STATE TREASURER

	2007-08
FTE positions	34.4
Operating lump sum appropriation	$ 3,273,900
Justice of the peace salaries	3,122,500
Total appropriation - state treasurer	$ 6,396,400
Fund sources:	
State general fund	$ 6,362,600
State treasurer's management fund	33,800
Performance measures:	
Ratio of yield of LGIP to Standard and Poor's LGIP index	1.2
Ratio of yield of endowment pools to Big Bond Index	1.1
Customer satisfaction rating for local government investment pool participants (Scale 1-8)	7.4

Before changing the eight basis point investment management fee, the treasurer shall submit the proposed change and its fiscal impact for review by the joint legislative budget committee.

Sec. 98. ARIZONA BOARD OF REGENTS

	2007-08
FTE positions	27.9
Operating lump sum appropriation	$ 2,322,000
Arizona teachers incentive program	90,000
Arizona transfer articulation support system	213,700
Student financial assistance	10,041,200
Math and science teacher initiative	2,250,000
Western interstate commission office	116,000
WICHE student subsidies	4,115,000
Total appropriation - Arizona board of regents	$ 19,147,900
Fund sources:	
State general fund	$ 19,147,900
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	95
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	77
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	40
Average number of years taken to graduate for students who began as freshmen	4.5

The $2,250,000 appropriation from the state general fund for the math and science teacher initiative shall be deposited into the mathematics, science and special education teacher student loan fund if established by the forty-eighth legislature, first regular session. Of this amount, the Arizona board of regents shall use $1,750,000 for student loans to eligible prospective math and science teachers and $500,000 for student loans to eligible prospective special education teachers. The Arizona board of regents may retain up to $100,000 of the appropriation for the math and science teacher initiative for administrative costs directly incurred by the board.

Within ten days of the acceptance of the universities' semiannual all funds budget reports, the Arizona board of regents shall submit an expenditure plan for review by the joint legislative budget committee. The expenditure plan shall include any tuition revenue amounts that are greater than the appropriated amounts and all retained tuition and fee revenue expenditures for the current fiscal year. The additional revenue expenditure plan shall provide as much detail as the university budget requests.

On or before December 1 of each year, the Arizona board of regents shall submit a student retention report in a format agreed upon by the joint legislative budget committee, the office of strategic planning and budgeting and the universities to the president of the senate, speaker of the house of representatives, the governor, the joint legislative budget committee and the office of strategic planning and budgeting. The report shall provide for each university the number of existing full-time positions dedicated to student retention, the number of new hires and other related expenditures funded through legislative appropriations dedicated to student retention, and freshman and sophomore retention rates.

Sec. 99. ARIZONA STATE UNIVERSITY

	2007-08
Main campus	
FTE positions	7,106.6
Operating lump sum appropriation	$540,862,600
Biomedical informatics	3,017,800
Student and faculty retention	15,064,000
Downtown Phoenix campus	47,234,200
Phoenix biomedical campus schematic design	5,250,000
Total - Main campus	$611,428,600
Fund sources:	
State general fund	$386,424,100
University collections fund	225,004,500
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	95
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	72
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	40
Average number of years taken to graduate for students who began as freshmen	4.6
External dollars for research and creative activity	$205,000,000
East campus	
FTE positions	532.5
Operating lump sum appropriation	$ 42,763,300
TRIF lease-purchase payment	2,000,000
Total - East campus	$ 44,763,300

Fund sources:	
State general fund	$ 23,778,500
University collections fund	18,984,800
Technology and research initiative fund	2,000,000
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	68
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	40
Average number of years taken to graduate for students who began as freshmen	4.8
West campus	
FTE positions	845.9
Operating lump sum appropriation	$ 73,571,600
TRIF lease-purchase payment	1,600,000
Total - West campus	$ 75,171,600
Fund sources:	
State general fund	$ 51,719,500
University collections fund	21,852,100
Technology and research initiative fund	1,600,000
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	98
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	72
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	45
Average number of years taken to graduate for students who began as freshmen	4.5
Total appropriation - Arizona state university	$731,363,500

1 Fund sources:
2 State general fund $461,922,100
3 University collections fund 265,841,400
4 Technology and research initiative
5 fund 3,600,000
6 The state general fund appropriations shall not be used for alumni
7 association funding.
8 The appropriated monies are not to be used for scholarships.
9 The appropriated monies are not to be used to support any student
10 newspaper.
11 The appropriated monies shall not be used by the Arizona state
12 university college of law legal clinic for any lawsuits involving inmates of
13 the state department of corrections in which the state is the adverse party.
14 University budget requests shall provide as much detail for the
15 downtown Phoenix campus as for any other budget program. Notwithstanding
16 section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer
17 to or from the amounts appropriated for the downtown Phoenix campus line item
18 shall require prior review by the joint legislative budget committee.
19 Any unencumbered balances remaining in the collections account on June
20 30, 2007 and all collections received by the university during the fiscal
21 year, when paid into the state treasury, are appropriated for operating
22 expenditures, capital outlay and fixed charges. Earnings on state lands and
23 interest on the investment of the permanent land funds are appropriated in
24 compliance with the enabling act and the Constitution of Arizona. No part of
25 this appropriation may be expended for supplemental life insurance or
26 supplemental retirement. Receipts from summer session, when deposited in the
27 state treasury, together with any unencumbered balance in the summer session
28 account, are appropriated for the purpose of conducting summer sessions but
29 are excluded from the amounts enumerated above.
30 Arizona State University and the University of Arizona shall jointly
31 submit an expenditure plan before expenditure of the amounts appropriated for
32 the Phoenix biomedical campus schematic design to the joint committee on
33 capital review for its review.
34 Arizona State University and the University of Arizona shall jointly
35 submit the scope, purpose and estimated cost of the Phoenix biomedical campus
36 to the joint committee on capital review for its review after schematic
37 design is complete.
38 Sec. 100. NORTHERN ARIZONA UNIVERSITY
39 2007-08
40 FTE positions 2,174.8
41 Operating lump sum appropriation $186,972,200
42 NAU - Yuma 2,383,900
43 Student and faculty retention 4,736,000
44 Total appropriation - Northern Arizona
45 university $194,092,100

Fund sources:	
State general fund	$148,807,700
University collections fund	45,284,400
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	98
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	93
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	60
Average number of years taken to graduate for students who began as freshmen	4.5

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2007 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

Sec. 101. UNIVERSITY OF ARIZONA

	2007-08
Main campus	
FTE positions	5,667.8
Operating lump sum appropriation	$377,318,600
Agriculture	42,256,900
Phoenix biomedical campus schematic design	5,250,000
Student and faculty retention	10,000,000
Arizona cooperative extension	11,728,500
Sierra Vista campus	5,593,300
Total - Main campus	$452,147,300

Fund sources:	
State general fund	$334,480,100
University collections fund	117,667,200
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	80
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	55
Average number of years taken to graduate for students who began as freshmen	4.6
Health sciences center	
FTE positions	967.2
Operating lump sum appropriation	$ 67,550,300
Clinical rural rotation	504,100
Clinical teaching support	9,812,200
Liver research institute	525,200
Phoenix medical campus	12,009,600
Telemedicine network	2,213,100
Total - health sciences center	$ 92,614,500
Fund sources:	
State general fund	$ 78,258,400
University collections fund	14,356,100
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	99
Total appropriation - university of Arizona	$544,761,800
Fund sources:	
State general fund	$412,738,500
University collections fund	132,023,300

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2007 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

University budget requests shall provide as much detail for the Phoenix medical campus as for any other budget program. Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or from the amounts appropriated for the Phoenix medical campus line item shall require prior review by the joint legislative budget committee.

The university of Arizona and the Arizona board of regents shall report to the joint legislative budget committee, on August 15, 2007 and February 15, 2008, updates concerning the formal relationship between the Phoenix medical campus and area hospitals, partnerships with private medical schools, the availability of clinical rotations for medical students in this state, the creation of new residency positions in this state, the expansion of medical services in this state's rural areas, the attraction of out-of-state medical students to practice in this state and any other strategies being considered or employed to prevent a doctor shortage in this state or the rural areas of this state.

Arizona State University and the University of Arizona shall jointly submit an expenditure plan before expenditure of the amounts appropriated for the Phoenix biomedical campus schematic design to the joint committee on capital review for its review.

Arizona State University and the University of Arizona shall jointly submit the scope, purpose and estimated cost of the Phoenix biomedical campus to the joint committee on capital review for its review after schematic design is complete.

Sec. 102. DEPARTMENT OF VETERANS' SERVICES

	2007-08	2008-09
FTE positions	376.3	376.3
Operating lump sum appropriation	$ 2,757,000	$ 2,730,000
Arizona state veterans' home	16,749,400	16,146,500
Southern Arizona cemetery	272,100	272,100
Telemedicine project	10,000	10,000
Veterans' organizations contracts	29,200	29,200
Veterans' benefit counseling	3,104,000	3,047,000
Total appropriation - department of veterans' services	$ 22,921,700	$ 22,234,800

Fund sources:		
State general fund	$ 8,907,500	$ 8,220,600
State home for veterans' trust fund	13,291,500	13,291,500
State veterans' conservatorship fund	722,700	722,700
Performance measures:		
DHS quality rating of the veterans' home ("A", "B", "C" or "D")	A	A
Per cent of customers rating department's services as "good" or "excellent"	98	98

Sec. 103. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

	2007-08	2008-09
FTE positions	5.5	5.5
Lump sum appropriation	$ 460,500**	$ 451,000
Fund sources:		
Veterinary medical examining board fund	$ 460,500	$ 451,000
Performance measures:		
Average calendar days to resolve a complaint	90	90
Average calendar days to renew a license	60	60
Customer satisfaction rating (Scale 0-100)	93	93

Sec. 104. DEPARTMENT OF WATER RESOURCES

	2007-08	2008-09
FTE positions	231.7	231.7
Operating lump sum appropriation	$ 15,372,400	$ 15,372,400
Adjudication support	2,105,000	2,105,000
Assured and adequate water supply administration	2,800,400	2,800,400
Arizona water protection fund deposit	1,000,000	2,000,000
Rural water studies	1,999,100	1,999,100
Conservation and drought program	500,000	491,200
Automated groundwater monitoring	500,000	500,000
Upper San Pedro water district technical assistance	250,000*	- 0 -
Total appropriation - department of water resources	$ 24,526,900	$ 25,268,100
Fund sources:		
State general fund	$ 23,426,500	$ 24,167,700
Assured and adequate water supply administration fund	1,100,400	1,100,400

Performance measures:		
Per cent of Colorado river entitlement used	100	100
Per cent of Arizona's unclaimed Colorado river entitlement that is recharged via the water banking authority	95	95
Number of dams in a non-emergency unsafe condition	13	13
Number of rural water studies initiated	4	4
Number of rural water studies completed in current year	4	4
Customer satisfaction rating for hydrology program (Scale 1-8)	8.0	8.0

Monies appropriated for the purposes of rural water studies are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through June 30, 2010.

Monies in the assured and adequate water supply administration line item shall only be used for the exclusive purposes prescribed in sections 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The department of water resources shall not transfer any funds into or out of the assured and adequate water supply administration line item.

The department shall report to the joint legislative budget committee on the amount of fees collected by the assured and adequate water supply program within thirty days after the end of each calendar year quarter.

It is the intent of the legislature that monies in the rural water studies line item will only be spent to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside the state's AMAs and not be made available for other department operating expenditures.

Monies in the adjudication support line item shall only be used for the exclusive purposes prescribed in section 45-256 and section 45-257, subsection B, paragraph 4, Arizona Revised Statutes. The department of water resources shall not transfer any funds into or out of the adjudication support line item.

The appropriation for the department of water resources includes a line item of $250,000 from the state general fund in fiscal year 2007-2008 for the department to provide technical assistance to the organizing board of the upper San Pedro water district. If Senate Bill 2300 or similar legislation to address the organizing board of the upper San Pedro water district is not enacted into law during the forty-eighth legislature, first regular session, the sum of $250,000 reverts to the state general fund.

Sec. 105. DEPARTMENT OF WEIGHTS AND MEASURES

	2007-08	2008-09
General services		
FTE positions	25.9	25.9
Lump sum appropriation	$ 1,782,500	$ 1,760,900
Fund sources:		
State general fund	$ 1,651,600	$ 1,640,200
Motor vehicle liability insurance enforcement fund	130,900	120,700
Vapor recovery		
FTE positions	8.5	8.5
Lump sum appropriation	$ 628,700	$ 634,000
Fund sources:		
Air quality fund	$ 628,700	$ 634,000
Oxygenated fuel		
FTE positions	6.0	6.0
Lump sum appropriation	$ 881,100	$ 883,600
Fund sources:		
Air quality fund	$ 881,100	$ 883,600
Total appropriation - department of weights and measures	$ 3,292,300	$ 3,278,500
Fund sources:		
State general fund	$ 1,651,600	$ 1,640,200
Air quality fund	1,509,800	1,517,600
Motor vehicle liability insurance enforcement fund	130,900	120,700
Performance measures:		
Average customer satisfaction rating (Scale 1-5)	4.7	4.7
Per cent of retail stores' price scanning devices in compliance	71	71
Per cent of cleaner burning gas samples in compliance with oxygenated fuel standards	100	100
Per cent of gasoline dispensing facilities inspected annually that are in compliance with vapor recovery standards	90	90

Sec. 106. Appropriation; towns; population

A. The sum of $850,000 is appropriated from the state general fund in fiscal year 2007-2008 as one-time funding to the department of revenue for distribution to towns with a population of one thousand five hundred persons or less.

B. The appropriated monies shall be distributed in the following amounts to the qualifying towns in fiscal year 2007-2008, based proportionately on the difference between each town's approved population estimate pursuant to section 42-5033.01, Arizona Revised Statutes, and the population of a hypothetical incorporated municipality of one thousand five hundred persons:

1. Fredonia	$ 73,780.
2. Patagonia	$109,730.
3. Hayden	$115,020.
4. Duncan	$130,160.
5. Winkleman	$199,970.
6. Jerome	$221,340.

Sec. 107. Appropriation: Tucson World War II memorial; exemption

A. The sum of $100,000 is appropriated from the state general fund in fiscal year 2007-2008 as one-time funding to the department of veterans' services for distribution to the city of Tucson to match the city donation for a downtown World War II memorial to honor the city's World War II veterans and the four hundred one service personnel from Tucson who died in World War II.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 108. Appropriation; fund transfer

The sum of $62,000,000 is appropriated from the state highway fund in fiscal year 2007-2008 for deposit in the statewide transportation acceleration needs account established by section 28-7009, Arizona Revised Statutes.

Sec. 109. Appropriation; operating adjustments

	2007-08
State employee health insurance adjustments	$ 27,245,000
Fund sources:	
State general fund	$ 20,245,000
Other appropriated funds	7,000,000
State employee retirement adjustments	$ 19,200,000
Fund sources:	
State general fund	$ 16,000,000
Other appropriated funds	3,200,000
State employee salary adjustments	$ 88,255,000

Fund sources:	
State general fund	$ 68,755,000
Other appropriated funds	19,500,000
State-owned space rent adjustments	$ 3,801,000
Fund sources:	
State general fund	$ 2,801,000
Other appropriated funds	1,000,000
State telecommunications adjustments	$ 5,509,800
Fund sources:	
State general fund	$ 5,509,800
State lease-purchase and privatized-lease-to-own adjustments	$ 995,100
Fund sources:	
State general fund	$ 995,100
Human resources pro rata adjustments	$ 377,100
Fund sources:	
State general fund	$ 242,100
Other appropriated funds	135,000
Risk management adjustments	$ 1,753,000
Fund sources:	
State general fund	$ 1,753,000
Assistant attorney general salary adjustments	4,743,600
Fund sources:	
State general fund	$ 2,595,800
Other appropriated funds	2,147,800

The other appropriated funds may be allocated from the following funds: board of accountancy fund, acupuncture board of examiners fund, air permits administration fund, air quality fund, antitrust enforcement revolving fund, board of appraisal fund, Arizona arts trust fund, assured and adequate water supply administration fund, attorney general legal services cost allocation fund, Arizona automated fingerprint identification system fund, automobile theft authority fund, automation operations fund, state aviation fund, board of barbers fund, board of behavioral health examiners fund, Arizona benefits fund, bond fund, capital outlay stabilization fund, state charitable fund, child abuse prevention fund, child fatality review fund, child support enforcement administration fund, children's health insurance program fund, board of chiropractic examiners fund, citrus, fruit and vegetable revolving fund, collection enforcement revolving fund, commerce and economic development commission fund, commercial feed fund, confidential intermediary and fiduciary fund, agricultural consulting and training fund, consumer protection-consumer fraud revolving fund, corrections fund, board of cosmetology fund, crime laboratory assessment fund, criminal justice enhancement fund, county fair racing fund, court appointed special advocate fund, defensive driving school fund, dental board fund, Arizona

1 deoxyribonucleic acid identification system fund, board of dispensing
2 opticians fund, driving under the influence abatement fund, drug and gang
3 prevention resource center fund, state education fund for committed youth,
4 state education fund for correctional education, state egg inspection fund,
5 election systems improvement fund, emergency medical services operating fund,
6 emissions inspection fund, environmental laboratory licensure revolving fund,
7 estate and unclaimed property fund, Arizona exposition and state fair fund,
8 federal child care and development fund block grant, federal Reed act grant,
9 federal surplus materials revolving fund, federal temporary assistance for
10 needy families block grant, fertilizer materials fund, board of funeral
11 directors' and embalmers' fund, fingerprint clearance card fund, game and
12 fish fund, game, nongame, fish and endangered species fund, hazardous waste
13 management fund, healthcare group fund, hearing and speech professionals
14 fund, state highway fund, Arizona highway patrol fund, highway user revenue
15 fund, board of homeopathic medical examiners' fund, housing trust fund, DHS
16 indirect cost fund, ADEQ indirect cost recovery fund, industrial commission
17 administrative fund, information technology fund, interagency service
18 agreements fund, intergovernmental agreements and grants, investment
19 management regulatory and enforcement fund, judicial collection enhancement
20 fund, land conservation fund administration account, lease-purchase building
21 operating and maintenance fund, liability set-off fund, long-term care system
22 fund, long-term disability administration account, state lottery fund,
23 Arizona medical board fund, the miners' hospital for disabled miners land
24 fund, motor vehicle liability insurance enforcement fund, motor vehicle pool
25 revolving fund, naturopathic physicians board of medical examiners fund,
26 newborn screening program fund, board of nursing fund, nursing care
27 institution administrators' licensing and assisted living facility managers'
28 certification fund, occupational therapy fund, oil overcharge fund, board of
29 optometry fund, board of osteopathic examiners fund, state parks enhancement
30 fund, penitentiary land fund, personnel division fund, pesticide fund,
31 Arizona state board of pharmacy fund, board of physical therapy fund,
32 podiatry fund, postsecondary education fund, prison construction and
33 operations fund, board for private postsecondary education fund, professional
34 employer organization fund, Arizona protected native plant fund, board of
35 psychologist examiners fund, public access fund, public assistance
36 collections fund, racing administration fund, state radiologic technologist
37 certification fund, records services fund, recycling fund, registrar of
38 contractors fund, reservation surcharge revolving fund, residential utility
39 consumer office revolving fund, board of respiratory care examiners fund,
40 state retirement system administration account, risk management revolving
41 fund, safety enforcement and transportation infrastructure fund, Arizona
42 schools for the deaf and the blind fund, securities regulatory and
43 enforcement fund, seed law fund, solid waste fee fund, special administration
44 fund, special employee health insurance trust fund, special services
45 revolving fund, spinal and head injuries trust fund, state aid to the courts

1 fund, Arizona state hospital fund, state board of equalization fund, state
2 surplus materials revolving fund, structural pest control commission fund,
3 substance abuse services fund, teacher certification fund, technical
4 registration fund, telecommunications fund, telecommunication fund for the
5 deaf, telecommunications excise tax fund, tobacco tax and health care fund,
6 transportation department equipment fund, tribal-state compact fund, used oil
7 fund, utility regulation revolving fund, vehicle inspection and title
8 enforcement fund, state veterans' conservatorship fund, state home for
9 veterans' trust fund, veterinary medical examining board fund, victims'
10 rights fund, vital records electronic systems fund, watercraft licensing
11 fund, waterfowl conservation fund, water quality fee fund and workforce
12 investment act grant.
13 State employee health insurance adjustments
14 The amount appropriated for state employee health insurance adjustments
15 shall be for fiscal year 2007-2008 increases in the employer share of state
16 employee health insurance premiums. The joint legislative budget committee
17 staff shall determine and the department of administration shall allocate to
18 each agency's or department's employee-related expenditures an amount for the
19 employer share of the employee health insurance increases. The joint
20 legislative budget committee staff shall also determine and the department of
21 administration shall allocate adjustments, as necessary, in expenditure
22 authority to allow implementation of state employee health insurance
23 adjustments.
24 State employee retirement adjustments
25 The amount appropriated for state employee retirement contribution
26 adjustments shall be for fiscal year 2007-2008 increases in the employer
27 share of state employee retirement contributions. The joint legislative
28 budget committee staff shall determine and the department of administration
29 shall allocate to each agency's or department's employee-related expenditures
30 an amount for the employer share of the employee retirement contribution
31 increase. The joint legislative budget committee staff shall also determine
32 and the department of administration shall allocate adjustments, as
33 necessary, in expenditure authority to allow implementation of state employee
34 retirement contribution adjustments.
35 Salary adjustments
36 The amount appropriated for salary adjustments includes personal
37 services and employee-related expenditures for state officers and employees
38 in accordance with this act.
39 For fiscal year 2007-2008, the joint legislative budget committee staff
40 shall determine and the department of administration shall allocate to each
41 agency or department an amount for these adjustments. The joint legislative
42 budget committee staff shall also determine and the department of
43 administration shall allocate adjustments, as necessary, in expenditure
44 authority to allow implementation of salary adjustments.

The annual salary level of each employee shall be increased by 3.00 per cent. In addition to the 3.00 per cent general salary adjustment, the amount appropriated also includes 0.25 per cent for a salary adjustment which shall be designated as performance pay and subject to section 38-618.01, Arizona Revised Statutes, or for those employees who are not subject to the performance pay provisions of section 38-618.01, Arizona Revised Statutes, the salary adjustments shall be in accordance with the department's or agency's compensation plan.

The following exceptions apply to the salary adjustments. All adjustments are effective July 1, 2007 and shall apply to less than full-time employees on a prorated basis. For personnel employed by the Arizona board of regents or a university under the jurisdiction of the Arizona board of regents, the salary adjustments shall be in accordance with the board's approved compensation plans. Board and commission members who are paid on a per diem basis and agency heads who are appointed for a fixed term of office shall not receive the salary adjustments pursuant to this section.

State owned space rent adjustments

The amount appropriated for rent adjustments shall be used to fund agency rent charges for state owned space increases from $15.50 per square foot to $19.50 per square foot for office space, and increases from $6.00 per square foot to $7.00 per square foot for storage space.

For fiscal year 2007-2008, the joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for these adjustments.

State telecommunications adjustments

The amount appropriated for state telecommunications adjustments shall be to annualize fiscal year 2006-2007 increases and for new fiscal year 2007-2008 adjustments in agency or department telecommunication charges. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state telecommunications adjustments.

State lease-purchase and privatized-lease-to-own adjustments

The amount appropriated for state lease-purchase and privatized-lease-to-own adjustments shall be for fiscal year 2007-2008 adjustments in agency or department lease-purchase and privatized-lease-to-own charges. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state lease-purchase and privatized-lease-to-own adjustments.

1 Human resources pro rata adjustments
2 The amount appropriated for state human resources pro rata adjustments
3 shall be for increased fiscal year 2007-2008 rates in agency or department
4 human resources pro rata charges. The joint legislative budget committee
5 staff shall determine and the department of administration shall allocate to
6 each agency or department an amount for the contribution increase. The joint
7 legislative budget committee staff shall also determine and the department of
8 administration shall allocate adjustments, as necessary, in expenditure
9 authority to allow implementation of state human resources pro rata
10 adjustments.
11 Risk management adjustments
12 The amount appropriated for state risk management adjustments shall be
13 for new fiscal year 2007-2008 adjustments in agency or department risk
14 management charges. The joint legislative budget committee staff shall
15 determine and the department of administration shall allocate to each agency
16 or department an amount for the contribution increase. The joint legislative
17 budget committee staff shall also determine and the department of
18 administration shall allocate adjustments, as necessary, in expenditure
19 authority to allow implementation of state risk management adjustments.
20 Assistant attorney general salary adjustments
21 For fiscal year 2007-2008, the joint legislative budget committee staff
22 shall determine and the department of administration shall allocate to the
23 office of the attorney general and its client agencies the amount necessary
24 to provide a salary adjustment to assistant attorney generals. The amount of
25 the salary adjustment for each assistant attorney general shall be determined
26 by the attorney general and is in addition to the statewide salary adjustment
27 provided by this section.
28 Of the total $2,595,800 general fund allocations, $859,100 is for
29 distribution to the attorney general, $1,211,900 is for distribution to the
30 department of economic security, $248,500 is for distribution to agencies
31 that pay interagency service agreements with general fund appropriations, and
32 $276,300 is for distribution to agencies that pay the attorney general pro
33 rata charge with general fund appropriations. Of the total $2,147,800 other
34 appropriated fund allocation, $1,638,500 is for distribution to the attorney
35 general, $18,800 is for distribution to the game and fish department,
36 $446,000 is for distribution to agencies that pay interagency service
37 agreements with other appropriated fund appropriations, and $44,500 is for
38 distribution to agencies that pay the attorney general pro rata charge with
39 other appropriated fund appropriations.
40 Sec. 110. Legislative intent; expenditure reporting
41 It is the intent of the legislature that all departments, agencies or
42 budget units receiving appropriations under the terms of this act shall
43 continue to report actual, estimated and requested expenditures by budget
44 programs and budget classes in a format that is similar to the budget
45 programs and budget classes used for budgetary purposes in prior years. A

1 different format may be used if deemed necessary to implement section 35-113,
2 Arizona Revised Statutes, agreed to by the director of the joint legislative
3 budget committee and incorporated into the budget preparation instructions
4 adopted by the governor's office of strategic planning and budgeting pursuant
5 to section 35-112, Arizona Revised Statutes.
6 Sec. 111. FTE positions; reporting; definition
7 Full-time equivalent (FTE) positions contained in this act are subject
8 to appropriation. The director of the department of administration shall
9 account for the use of all appropriated FTE positions excluding those in the
10 department of economic security, the universities and the department of
11 environmental quality. The director shall submit the fiscal year 2007-2008
12 report by August 1, 2008 to the director of the joint legislative budget
13 committee. The reports shall compare the level of FTE usage in each fiscal
14 year to the appropriated level. For the purposes of this section, "FTE
15 positions" shall mean the total number of hours worked, including both
16 regular and overtime hours as well as hours taken as leave, divided by the
17 number of hours in a work year. The director of the department of
18 administration shall notify the director of each budget unit if the budget
19 unit has exceeded its number of appropriated FTE positions. The above
20 excluded agencies shall each report to the director of the joint legislative
21 budget committee in a manner comparable to the department of administration
22 reporting.
23 Sec. 112. Filled FTE positions; reporting
24 By October 1, 2007, each agency, including the judiciary and
25 universities, shall submit a report to the director of the joint legislative
26 budget committee on the number of filled, appropriated FTE positions by fund
27 source. The number of filled, appropriated FTE positions reported shall be
28 as of September 1, 2007.
29 Sec. 113. Performance measure results; reporting
30 As part of its fiscal year 2008-2009 budget request, agencies shall
31 submit the fiscal year 2006-2007 result for the performance measures listed
32 in this act. If an agency fails to submit this information, it shall submit
33 a report to the joint legislative budget committee staff and the office of
34 strategic planning and budgeting as part of its fiscal year 2008-2009 budget
35 request on why the agency failed to submit its results for the performance
36 measure.
37 Sec. 114. Transfer of spending authority
38 The department of administration shall report monthly to the director
39 of the joint legislative budget committee on any transfers of spending
40 authority made pursuant to section 35-173, subsection C, Arizona Revised
41 Statutes, during the prior month.
42 Sec. 115. Interim reporting requirements
43 A. State general fund revenue for fiscal year 2006-2007, not including
44 the beginning balance and including one-time revenues, is forecasted to be
45 $9,850,930,000.

B. State general fund revenue for fiscal year 2007-2008, not including the beginning balance and including one-time revenues, is forecasted to be $10,074,726,100.

C. The executive branch shall provide to the joint legislative budget committee a preliminary estimate of the fiscal year 2006-2007 state general fund ending balance by September 15, 2007. The preliminary estimate of the fiscal year 2007-2008 state general fund ending balance shall be provided by September 15, 2008. The estimate shall include projections of total revenues, total expenditures and ending balance. The department of administration shall continue to provide the final report for the fiscal year in its annual financial report pursuant to section 35-131, Arizona Revised Statutes.

D. Based on the information provided by the executive branch, the staff of the joint legislative budget committee shall report to the joint legislative budget committee by October 15 of 2007 and 2008 as to whether that fiscal year's revenues and ending balance are expected to change by more than $50,000,000 from the budgeted projections. The executive branch may also provide its own estimates to the joint legislative budget committee by October 15 of each year.

Sec. 116. Definition

For the purposes of this act, "*" means this appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 117. Definition

For the purposes of this act, "**" means this appropriation is available for use pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2009.

Sec. 118. Definition

For the purposes of this act, "expenditure authority" means that the fund sources are continuously appropriated monies that are included in the individual line items of appropriations.

Sec. 119. Definition

For the purposes of this act, "review by the joint legislative budget committee" means a review by a vote of a majority of a quorum of the members. The committee review is to occur within forty-five days of the date of receipt of the agency's request for review being received by the office of the chairman of the committee with a copy to the staff director of the committee. The agency shall respond to the committee or joint legislative budget committee staff requests for information within fifteen days of the request.

APPROVED BY THE GOVERNOR JUNE 25, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 25, 2007.